

MINUTES OF REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

May 18, 2001
Knoxville, Tennessee

Present

1. Mr. Jimmy Barnett
2. Mr. Lee Baker
3. Mr. Phil Comer
4. Ms. Ann Coulter
5. Mr. Karl Dudley
6. Mr. Bill Forsyth
7. Ms. Julie Hardin
8. Dr. Kathryn J. Jackson (DFO)
9. Ms. Miles Mennell
10. Mr. W. C. Nelson
11. Ms. Elaine Patterson
12. Mr. Bruce Shupp (Council Chair)
13. Dr. Stephen A. Smith
14. Dr. Paul F. Teague
15. Mr. Greer Tidwell, Jr.
16. Mr. Dave Wahus (Council Consultant)

Absent

1. Senator Roger Bedford, Jr.
2. Mr. Austin Carroll
3. Mayor Thomas Griffith
4. Mr. Al Mann
5. Mr. Herman Morris, Jr.
6. Mr. Jim Sutphin

Contents

1. Transcript
 2. [Draft Recommendation from Water Quality Subcommittee](#)
 3. [Draft Recommendation from Integrated River Management Subcommittee](#)
 4. [Draft Recommendation from Public Lands Subcommittee](#)
 5. Presentation of Gary Mauldin, TVA River Operations
 6. Presentation of Randy Trusley, TVA Vice President and Controller
 7. Presentation by Wayne Gildroy, TVA Assistant General Counsel
- (Presentations 5, 6, and 7 available at the TVA Corporate Library, Knoxville)

Approved by


Chair

1

2 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

3

MAY 18, 2001

4

5

6

7

LOCATION:

8

TVA OFFICES
400 WEST SUMMIT HILL DRIVE
KNOXVILLE, TENNESSEE 37902

9

10

11

12

13

14

15

REPORTED BY:

16

KIMBERLY J. NIXON, RPR
NATIONAL REPORTING AGENCY
1255 MARKET STREET
CHATTANOOGA, TENNESSEE 37402
WWW.NATIONALREPORTING.COM
423.267.8059
800.261.8059
423.266.4447 (FAX)

17

18

19

20

21

22

23

24

25

1 REGIONAL RESOURCE STEWARDSHIP COUNCIL

2

3 MR. BRUCE SHUPP (COUNCIL CHAIR)

4 DAVE WAHUS (FACILITATOR)

5 SENATOR ROGER BEDFORD, JR.

6 MR. W. C. NELSON

7 MR. AL MANN

8 MAYOR THOMAS GRIFFITH

9 MR. BILL FORSYTH

10 MR. HERMAN MORRIS, JR.

11 MR. JIM SUTPHIN

12 MS. ELAINE PATTERSON

13 MR. LEE BAKER

14 MR. JIMMY BARNETT

15 MR. AUSTIN CARROLL

16 MR. KARL DUDLEY

17 MR. PHIL COMER

18 MS. ANN COULTER

19 MS. JULIE HARDIN

20 MS. MILES MENNELL

21 MR. GREER TIDWELL

22 DR. STEPHEN A. SMITH

23 DR. PAUL F. TEAGUE

24

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 TENNESSEE VALLEY AUTHORITY REPRESENTATIVE

2 KATE JACKSON, Ph.D
3 EXECUTIVE VICE PRESIDENT
4 TENNESSEE VALLEY AUTHORITY
5 DESIGNATED FEDERAL OFFICE
6 400 WEST SUMMIT HILL DRIVE, WT11A-K
7 KNOXVILLE, TENNESSEE 37902

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

1 PROCEEDINGS

2 MR. BRUCE SHUPP: Let's get seated so
3 we can get started. We have a busy agenda this
4 morning. I welcome you to our sixth or seventh
5 meeting, something like that.

6 DR. PAUL TEAGUE: Ninth.

7 MR. BRUCE SHUPP: Nine?

8 MR. PHIL COMER: Ninth meeting.

9 MR. BRUCE SHUPP: Time goes fast when
10 you're having fun. Right, Phil?

11 MR. PHIL COMER: Right. Absolutely.
12 Agonizingly so.

13 MR. BRUCE SHUPP: This may be our
14 most interesting and productive meeting. We have
15 some policy issues which I think are going to be
16 resolved today. A recommendation is going to go to
17 the Council. We're going to have an interesting
18 discussion about our past, present, and future, and
19 the processes we deal with issues and how we deal
20 with issues.

21 We have an op session for -- as
22 always for the public comments, and then have some
23 new business this afternoon, which includes a --
24 some letters from residents of the TVA campgrounds
25 that are asking us to make a recommendation on an

1 issue they have.

2 So it's a very busy agenda. We're
3 going to keep to the schedule that we show on here,
4 and we will be moving along as rapidly as we can.

5 And we have a new facilitator today.
6 Most of you have met him by now, either last night
7 or this morning. The contract for the past
8 facilitator expired. It was readvertised and rebid
9 and our new facilitator is Mr. Dave Wahus.

10 Dave has retired from the -- after 34
11 years in Government service from the Corps of
12 Engineers in June of this past year, and he held the
13 position there as chief of the recreation programs
14 for the Corps in Washington the D. C.

15 He spent ten years in the Army as an
16 engineer officer and is a retired Lt. Colonel in the
17 United States Army Reserves. He served as a senior
18 program analyst on the staff of the President's
19 Commission of National Recreation Lakes. That's
20 where Kate Jackson had the pleasure to see him work
21 and understands his capabilities.

22 Dave is the 1999 recipient of the
23 William Penn Mock, Jr. Award of Excellence, where
24 he's worked with the Corps. He holds degrees from
25 North Dakota State University in Agriculture

1 Education and from the University of Missouri in
2 Engineering Management. He's working now as a
3 consultant in meeting planning, design and
4 facilitation, and he has the talent to own and
5 operate his own stained glass studio in Pisgah
6 Forest, North Carolina.

7 So we're proud to welcome Dave Wahus.
8 Dave is going to go over the agenda, and we'll get
9 started with the meeting immediately.

10 Dave.

11 MR. DAVE WAHUS: Thank you, Bruce.
12 First of all, let me explain to you what -- how I
13 see my job as facilitator. I see my job as a -- I'm
14 here to help you improve communication, to increase
15 your efficiency and effectiveness, try to keep you
16 on schedule and on subject so you don't go off on
17 rabbit trails, and I want to give everyone the
18 opportunity to be equally heard and to hear.

19 I will remain neutral as far as your
20 issues are concerned, but I will not remain neutral
21 when it comes to trying to come to closure or
22 bringing you to a conclusion or to a single
23 position. I will do this so that you can focus on
24 communication and better understanding. I look
25 forward to working with all of you through this

1 process.

2 If you will look at the agenda that
3 is on your table, it has changed a little. There
4 are a few changes in it, I will point that out to
5 you as I run through the agenda here, from the one
6 that you might have received earlier.

7 In a few minutes we will -- it says
8 8:30 to 10:30 on the agenda is a session -- what I
9 call the process session. We will hear from Kate
10 Jackson on TVA's expectation in the short-term, and
11 then we will have discussion on should the Council
12 continue to develop recommendations using only
13 consensus, also, reading letters into the record at
14 Council meetings, who speaks for the Council, any
15 other process issues that you would like to discuss
16 at that time, and then near the end of that session
17 we will again hear from Kate on what happens after
18 March 2002.

19 Following a break we will go into old
20 business, and Jimmy Barnett will present the
21 recommendation from the water quality subcommittee,
22 followed by a presentation on the recommendation
23 from the integrated river management subcommittee by
24 Bill Forsyth. And then around 11:15 Ann Coulter
25 will present the recommendation from the public

1 lands subcommittee. We will break for lunch. And
2 at 1:00 we will hear any comments that we have --
3 might have from the public. Following the public
4 comments, we will go into new business.

5 If you will make a note, the first --
6 I am going to add something that's not on your
7 agenda. The first issue for new business will be
8 the roof issue, the roofs on boat docks. There have
9 been a number of letters that have been received and
10 we'll discuss that.

11 Then we will discuss the public lands
12 management policy recommendation. About 3:00, a new
13 item on the agenda from what you saw before you
14 came, the current status of the reservoir system and
15 the draw-down schedule will be presented by Gary
16 Mauldin, followed by the federal financing bank,
17 refinancing legislation presented by Randy Trusley,
18 and then a deregulation overview presented by Wayne
19 Gildroy.

20 Following those presentations and any
21 questions and answers that might happen, there will
22 be planning for future meetings led by your Council
23 chair, and hopefully, we will target adjourning
24 pretty close to 4:00.

25 Any questions on the agenda? Any

1 changes?

2 MR. BRUCE SHUPP: Okay. During the
3 last meeting -- in the informal discussions at our
4 last meeting I sensed some frustration among the
5 Council members on the speed we have been moving and
6 the difficulty we have been having coming to
7 agreement on the policy recommendations. We have
8 been making some comments in the amount of time we
9 have been spending and where we go from here. We've
10 been 14 months into this process, which was a 28 --
11 24-month process, and what have we achieved, what do
12 we have to achieve yet, what's our future, those are
13 the discussions we had informally.

14 So we set up this process session
15 this morning to try to get at some of those issues,
16 and I have asked Kate Jackson to do two things.
17 First, to open the session with a little comment on
18 what TVA thinks our achievements have been so far
19 and whether we're on track with their expectations
20 of an advisory council. And then after we have some
21 discussions on some process issues, Kate will come
22 back and discuss what she thinks TVA may be thinking
23 about for the future for an advisory council, either
24 this one or a reconstituted advisory council.

25 So I'd like to start off with Kate

1 Jackson.

2 DR. KATE JACKSON: Okay. Thank you.

3 I'm just going to give an overview of a couple of
4 things, maybe touch on a couple things that I said
5 at the last meeting, and then talk about a few more
6 specific items.

7 First of all, let me say that I have
8 great confidence in this Council, and I think TVA
9 does, and we believe that the work that the Council
10 is doing is incredibly important, both to TVA but
11 also to all of our stakeholders.

12 At the last meeting I challenged the
13 Council to develop recommendations that had maybe
14 more specific bounds and could be more
15 specifically -- provide more specific commentation
16 to us about the kinds of things that we ought to be
17 doing and the priorities with which you, as
18 representatives of stakeholders, see the activities
19 that TVA does.

20 Since then I have had extensive
21 conversations with Bruce about kind of how we can
22 get there from here, and I have also talked a lot to
23 staff about what might be possible with respect to
24 how we can help that process and help more greatly
25 empower the activities that you-all are working so

1 hard on.

2 Let me start by saying that I by no
3 means at the last meeting wanted to suggest that the
4 work that you-all have done is not very important to
5 us or that your commitment of extensive amounts of
6 time hasn't been very much appreciated.

7 Both Directors think that this
8 Council's work is very important and have, I think,
9 mentioned to many of you individually how much they,
10 first of all, understand the struggle you have gone
11 through, and second, want to take the comments and
12 the recommendations that you make very seriously.
13 Both directors McCullough and Harris, even within
14 the last week, have talked to me about the Council
15 and all the work that they know that you are doing.

16 But let me talk about what I mean
17 when I say making more specific recommendations and
18 maybe talk a little bit about what I'm not asking.
19 I think we have spent the last -- better part of a
20 year communicating how sophisticated the system is,
21 how complicated it is, how many engineers and
22 technicians and analysts work really hard to make
23 sure that we're optimizing the outputs of that
24 system, but you don't need to be able to do our
25 jobs. We're not asking for you to do that work.

1 What we're asking for you to do is
2 represent from your hearts the value that you see in
3 the outputs of the system and the relative value
4 that the stakeholders place in all of those outputs.
5 That doesn't mean you have got to be a water quality
6 expert or that you have got to know how to run the
7 river system or be able to pull your calculator out
8 and do analyses.

9 What it means is that you give us
10 very heartfelt feedback on what you care about and
11 what those people that communicate with you about
12 the issues that they care about, what they care
13 about, and how we can fold those priorities into
14 doing ongoing analyses with calculators and
15 technicians and engineers.

16 I think maybe what we have done is
17 communicated to you a great understanding of the
18 complexity, and thereby, sort of scared you off from
19 telling us what you want. What we want is for you
20 to tell us what you want, and I recognize and in
21 saying that know how difficult some of that
22 communication is going to be because many of you
23 want very different things and we know that.

24 We used to get feedback on what you
25 want as a proxy at least through the appropriations

1 process. Congress gave us some oversight and looked
2 to us and said, we're going to give you this much
3 money to do these things and you would give them
4 feedback which we would eventually get.

5 As we went through the process of not
6 having appropriations anymore, we don't have that
7 opportunity for feedback. And one of the vehicles
8 that we're hoping we could sort of transplant that
9 feedback was into this Council, into this body or
10 mixed representatives of all of the various
11 stakeholders that TVA has.

12 And now you have much of the problem
13 that the Congressmen had. You want us to do many
14 different things all at the same time, often with
15 the same drops of water. So what we want in these
16 recommendations is your priorities.

17 And, yes, the funding is an issue.
18 And I recognize on many of these recommendations we
19 are going to come back to that issue, but
20 notwithstanding, even if it's a zero sum game, it's
21 important for us to know the priorities. We can go
22 back and do a lot of the analyses either on where
23 the water goes or where the money goes, but we need
24 to overlay that with what you-all want.

25 Let me -- I have been a strong

1 proponent, as have many of the staff, on majority
2 voting versus consensus, and I think we pushed
3 consensus really hard. And I think the reason that
4 I personally wanted to push us in the consensus
5 direction is because I wanted to make sure that we
6 all worked really hard struggling with these issues
7 and didn't give up too soon and say, oh, let's just
8 do a majority/minority report.

9 However, as I have watched the
10 struggles in the subcommittees, it has become
11 apparent to me that -- I think the aquatic plant
12 management is a really good example of this, that
13 maybe some of those recommendations could have been
14 made stronger had we done majority/minority and done
15 some voting and taken a hand count on some of the
16 outlying issues.

17 I think there was consensus around
18 the majority of the position within the aquatic
19 plant management activity but on the edges there
20 wasn't, and what that resulted in was a lowest
21 common denominator recommendation to TVA, which is
22 probably less useful for us and less helpful for
23 those that you represent.

24 So maybe this morning we can have a
25 little bit of conversation about how can we maybe

1 take a step back from 100 percent consensus. I
2 don't think I ever thought in my head consensus
3 meant unanimity, but I know that that's how we have
4 been applying it. So I would like for us to have a
5 conversation about that.

6 I also want to maybe take an
7 opportunity to recalibrate the extent to which I ask
8 questions or probe or push back as recommendations
9 are being developed. I have been extremely hesitant
10 to do that, and it's because I did not want TVA to
11 appear controlling or manipulative, and I wanted to
12 make sure that the Council selected the items that
13 you believed were the most important to work on and
14 you worked on those in ways that was the most
15 important to you and the stakeholders.

16 I'm beginning to believe that maybe I
17 didn't help you enough in providing bounds on some
18 of the issues you were talking about or provide
19 early feedback on, this is more important or more
20 helpful to TVA than that. And so I am going to
21 start doing that, and then you're going to need to
22 tell me if I am doing it too much, and I think that
23 that may provide some helpful feedback to you.

24 I also -- I've thought long and hard
25 about the issues that we talked about last time on

1 the integrated river management recommendation on my
2 request for bounds being put on that study and how
3 we could best manage that. I want to offer a tool
4 to help us as we move forward with that analysis,
5 and I think -- we have two options. I mean, I can
6 either say, gosh, that recommendation isn't specific
7 enough, go back and work on it more, I don't want to
8 do that.

9 What I would prefer is for you to
10 give the Board that recommendation and then come
11 back and say, we're going to go through a process to
12 put some bounds on this study that would be
13 contemplated by this recommendation, and the tool
14 that I want to offer is a vehicle for you to speak
15 from your hearts about relative priorities. That
16 tool is called The Innovator, and what it is is a
17 mechanism to do paired comparisons, value based
18 comparison, sort of a statistical process.

19 You-all hold a little machine in your
20 hands with a couple of numbers on it, and you can
21 look at, do you care about six inches in the
22 navigation channel or do you care about spending
23 hundred million dollars additional on dissolved
24 oxygen controls if you keep reservoir levels up,
25 which do you care about more, and you choose one.

1 We can immediately look at the
2 results. If the results are tied on two of those,
3 say, if we offered four choices, we can say, okay,
4 let's go back and revote on just those two, that
5 will provide significant feedback to us. And what I
6 would like to recommend is that we think about using
7 a vehicle like that for bounding the possibilities
8 for the study that you recommend from the integrated
9 river management subcommittee.

10 I think with that, what I will do is
11 just respond to questions and then let Dave sort of
12 facilitate us through a discussion of some of these
13 issues, but I want to go back and summarize that,
14 you know, all of the work that you have done, all of
15 the things that you have helped us think about over
16 the last -- more than a year, and the views that we
17 have gotten through your eyes, have been incredibly
18 helpful to us.

19 Part of what this Council was about
20 was providing us recommendations, but part of what
21 this Council was about is to provide us a vehicle to
22 communicate what we do and how we do it to the rest
23 of the Valley. And I think from a lot of that
24 communications point, that convening and
25 facilitating point, this has been a wonderful nexus

1 around which a lot of that activity can circulate.

2 And I want to highlight that that
3 is -- that remains very important and it remains a
4 real success, I think, of this Council. So I don't
5 want anybody to think that, you know, Kate isn't
6 happy. Kate's happy. Kate just could be happier.

7 MR. DAVE WAHUS: Thank you. What I
8 would like to do now is just -- if anyone has any
9 questions, clarification questions or anything for
10 Kate, let's ask them now. And then I would like to
11 look at the subjects that we're going to discuss
12 over the next two-hour period, and I'm going to ask
13 you to allow -- how much time do you want to allow
14 for each of those so we can set some bounds on those
15 so we don't end up spending all the time on the
16 first subject, and then we will go into discussion,
17 but does anyone have any questions for Kate at this
18 point on what she talked about?

19 Yes. Jimmy?

20 MR. JIMMY BARNETT: I would like to
21 make a comment, and I think I have made it already
22 to Kate, that I thought that it would be very
23 helpful for the Council to receive some comments
24 from TVA, you need to do this or answer this
25 question, that would be very helpful to us to give

1 us some guidance. We can always say that we don't
2 want to answer it, you know, that's our prerogative,
3 but I think that would be helpful, what's important
4 to TVA about this particular subject or that
5 particular subject, what would they like us to
6 consider, and as I say, we can always say, no, we
7 would rather go eat or something like that, but I
8 like that particular approach.

9 MR. DAVE WAHUS: Thank you. Anyone
10 else? We have three subjects -- three issues to
11 discuss. First, should the Council continue to
12 develop recommendations using only consensus;
13 second, reading letters into the record of Council
14 meetings; third, who speaks for the Council and any
15 other process issues that you wish to discuss, and
16 then we will leave about 20 minutes at the end for
17 Kate to talk to us about what happens after
18 March 2002.

19 So according to my clock, we have
20 about an hour and 40 minutes to discuss -- to cover
21 the consensus, the reading of letters, who speaks
22 for Council, and other process issues.

23 Does anyone have any feeling as to
24 how much time we should spend or should I make a
25 suggestion?

1 DR. STEPHEN SMITH: I would suggest
2 that we move reading of letters into the record and
3 who speaks for the Council up, I think we can
4 dispose of those very quickly, and then we can
5 probably have a discussion about the other ones.

6 MR. DAVE WAHUS: Okay. Could I ask,
7 are there any other process issues that you know of
8 at this point that you wish to add to the list?

9 Okay. Let's talk about -- then about
10 reading -- first of all, reading letters into the
11 record.

12 Bruce, go ahead.

13 MR. BRUCE SHUPP: Yeah, I think all
14 of you have received some letters in the past
15 several months. As chair now I'm getting, I guess,
16 all of them, and there are obviously way too many of
17 them to read into the record, in my opinion, to read
18 into the record at a meeting. We would be reading
19 here for an hour to get all of the information into
20 the record.

21 What I thought -- I will propose this
22 and then we will discuss this as a process, that the
23 letters come to the attention of any one of us, the
24 letter could go to the -- to Sandy Hill, to TVA
25 staff to be circulated to all members, with the

1 request that at the next meeting it be in the packet
2 of information of all of the members and on the
3 table in the front for the public to pick up as they
4 come in. This then makes this as an official
5 document. We enter it into the record.

6 And if there's any action that could
7 be taken or should be taken on those letters, we can
8 then discuss that at that meeting and either refer
9 an issue to a subcommittee or resolve it among the
10 Council members. That's what I propose as a
11 process. There probably are other ways to do it,
12 but I'll throw that out for discussion.

13 MR. DAVE WAHUS: Comments?
14 Reactions? Other suggestions?

15 Jimmy?

16 MR. JIMMY BARNETT: I like that
17 particular proposal. I like for the public to be
18 heard. The letters that I have gotten a couple of
19 times and read into the record, it takes a lot of
20 time. They have been circulated to all of the
21 members. So I strongly support us not having to
22 read the letters in full.

23 I think as long as everybody
24 understands that the letters are circulated and they
25 are available and everybody has had an opportunity

1 to read them, even if we make note that we got a
2 letter from Jimmy Barnett that we have read into the
3 mail and you-all have read it, does anyone have
4 questions, I mean, something like that would be
5 fine, but actually for me to sit here and read the
6 letter, which everybody has already read, for the
7 sake getting it into the record, I think, is totally
8 redundant if it's going to be in the record anyway.
9 As long it's going to be there, that's the only
10 thing I say.

11 MR. DAVE WAHUS: I am seeing a lot of
12 nods around the table. Any other comments?

13 DR. STEPHEN SMITH: Yeah. This is
14 really a small comment. I -- I mean, at one point
15 we'll kind of get buried in paper. I think some of
16 the letters, we should try to survey and see if
17 members of the Council have already gotten them
18 before we reproduce them again and put them in our
19 packets. I mean, I don't necessarily need it two or
20 three times.

21 Then the other thing, I would just
22 caution about printing up a whole bunch to have on
23 the table for the public. I mean, I think we should
24 have them available. I think TVA should be disposed
25 to get copies to anybody in the public, but I'm not

1 sure that we necessarily need to generate an
2 enormous amount of paper. It's a small point, but I
3 think it's one that we should be conscious about.

4 MR. DAVE WAHUS: Okay. Other
5 comments?

6 Do I see a general agreement?

7 Do I see any opposition to Bruce's
8 suggestion to -- when you receive a letter to give
9 it to -- from the public to give it to the TVA
10 staff, they will provide it to the remaining members
11 of the Council and the public, and then at the next
12 meeting it will be discussed and/or referred to one
13 of the subcommittees as is appropriate? Any
14 objections?

15 That will be the process that we will
16 take starting now then. Is that okay with you?

17 MR. BRUCE SHUPP: Uh-huh.

18 MR. DAVE WAHUS: Okay. The next
19 issue that we will discuss then is who speaks for
20 the Council. This issue has been raised a couple of
21 times I understand in the past and again recently.
22 I would like to remind you that the procedures and
23 guidelines has -- addresses this several places.

24 It identifies that the role of the
25 chair is to be -- the role of the chair is to be the

1 spokesperson or the advocate for Council
2 recommendations to TVA management, the media or to
3 the public and that the -- additionally the role of
4 the chair is to represent the Council to the media.
5 To avoid situations where the media is used to
6 debate issues before the Council, the chair will
7 serve as spokesperson for the Council. Those -- I
8 was just reading from the -- from the procedures and
9 guidelines.

10 Do you wish at this time to revisit,
11 revalidate or change the guidelines on the
12 spokesperson for the Council?

13 I'm looking for some kind of an
14 indication as to what would you like to do.

15 Greer?

16 MR. GREER TIDWELL: Yeah. Thanks,
17 Dave. I would just like to ask Bruce how that is
18 working for him personally so far.

19 MR. BRUCE SHUPP: For me it hasn't
20 been an issue. I haven't been -- the only comments
21 that I have been asked to give was through TVA
22 publications. There may have been one on the
23 outside, but it hasn't been significant.

24 And I think the issue came up in the
25 unfortunate situation where Phil was misquoted

1 pretty badly by a reporter and made it look like the
2 Council was really ineffective, and I take great
3 umbrage to that.

4 I think the Council is working very
5 hard, and there's very good people on this Council,
6 and that we will be ultimately very effective. So
7 those are the type of things that we have to be
8 careful with. And that's how, I think, it came up
9 is that we were characterized in an article that
10 Phil couldn't avoid apparently, and we just don't
11 want to have that happen too often.

12 MR. DAVE WAHUS: Phil?

13 MR. PHIL COMER: With that comment
14 from Bruce, I think I should elaborate a little bit.
15 There were many mistakes in that newspaper article
16 by that particular reporter, by that particular
17 newspaper.

18 The one that was most offensive to
19 me, and I would assume to you, too, Bruce, was when
20 it said -- quoted me as saying, that the Council has
21 made absolutely no progress, I mean, it was just
22 categorically stated that way, and I never made such
23 a statement, period.

24 What I said was that as of this date
25 the Council has not made a single recommendation to

1 the TVA Board, and I have probably said that 50
2 times in the last two months, which is categorically
3 a correct statement, but that is a far cry from
4 saying, as I was quoted in this newspaper, and it
5 was a direct quotation in error, that the Council
6 has made absolutely no progress, which is patently
7 untrue. I mean, lots of progress has been made.
8 It's just been at a much slower pace than I
9 personally am accustomed to or think was necessary.

10 Now, here is a problem that I
11 personally have faced from day one as a member of
12 this Council. Fundamentally as a member of this
13 Council, while TVA appointed me as a member of the
14 Council, I was recommended to TVA by a number of
15 organizations, clubs, civic organizations, County
16 Executives, two Congressmen, one Senator, et cetera,
17 et cetera, and in the earlier Charter and in the
18 very first meeting that we had in going over the
19 Council's Charter I think it was stated, and is
20 still stated in there somewhere, that we each were
21 expected to report back to our, quote, constituents.
22 The word constituents was used. I objected to that
23 particular word because I don't think of these
24 people as being my constituents. You know, I'm not
25 an elected official. So to me they are not

1 constituents. To me they are fellow stakeholders in
2 TVA.

3 And from the very, very first meeting
4 I have gone back from these meetings, as I will do
5 from this meeting, and I will meet with
6 approximately five different organizations in the
7 general region that I represent, and I will do so
8 and I will be as careful as possible to represent
9 what I believe to be the status or what happens,
10 what takes place in this meeting today.

11 I already have a newspaper reporter
12 who called me three days ago and has made a 9:00
13 appointment for Monday morning for me to come and be
14 interviewed as to what took place today, and I fully
15 intend to do that. And I have done this from every
16 meeting that we've had from the very first one, have
17 spoken to probably five to seven civic clubs and
18 organizations after each and every meeting.

19 I have tried to be extremely careful
20 in that sense to not speak for the Council in terms
21 of any decisions that were made because so far
22 that's not been difficult because no real decisions
23 have been made.

24 But how I can be expected to
25 interface and to report back to these many, quote,

1 constituent groups, fellow stakeholder groups, and
2 at the same time -- many of these meetings have as
3 few as 20 people and as many as 150 people and as
4 few as zero newspaper reporters and as many as five.

5 Any of you who have had any history
6 of experience with newspaper reporters, they run the
7 gamut from A to Z. The particular one that I
8 referred to earlier was undoubtedly the worst
9 example I have ever experienced of being badly
10 misquoted, and that's when I sent a copy of it to
11 Kate and to Bruce and said, please don't circulate
12 this to the whole Council, because it would -- it
13 was a total misrepresentation of what I said, but I
14 have faced a quandary from day one as to how I am
15 supposed to go back and be interactive with my,
16 quote, constituents and not run the risk of
17 appearing to speak for the Council. I have in the
18 past and I intend in the future to continue doing
19 that.

20 MR. DAVE WAHUS: Thank you. I would
21 like to read one more sentence from the procedures
22 and guidelines. It states, members of the Council
23 are free to express their own opinion on issues to
24 the media but should avoid characterizing the
25 activities of the Council or commenting on the

1 opinions expressed by other Council members. I

2 want -- to be fair, I wanted to add that.

3 MR. PHIL COMER: And I totally agree

4 with that and have been very careful to abide by

5 that.

6 Bruce, did you have --

7 MR. BRUCE SHUPP: Yeah. I just --

8 after a long career in state government and what we

9 were always taught and taught our staff to do is,

10 No. 1, don't speculate. Certainly talk to the

11 media. Don't speculate. Deal only with facts.

12 Don't characterize anybody else's motives. If you

13 stay within those boundaries, you can't get in

14 trouble.

15 MR. PHIL COMER: Yeah, you can. I

16 did.

17 MR. BRUCE SHUPP: Let me change that,

18 you shouldn't get in trouble.

19 MR. DAVE WAHUS: Does anyone else

20 have anything to add in this discussion?

21 Yes. Lee?

22 MR. LEE BAKER: Phil, I assume then

23 the quotation that we had accomplished nothing, that

24 we spend most of our time riding on boats and that

25 we sit and listen to TVA tell us what a great job

1 they did, that was a misquotation on your part?

2 MR. PHIL COMER: Yes, it was. Yes,
3 it was. I did make the statement, and I feel it
4 very strongly, and you know this because I think I
5 have said this to you privately as we have journeyed
6 to and from Nashville and Chattanooga in the same
7 car alone trying to avoid the discussion of lake
8 levels, trying to be friendly and civil to one
9 another since we're from the same part of the
10 country and same lakes, from my personal standpoint,
11 and I can only speak as a person, and I've felt this
12 way from day one, I personally did not need some of
13 the, quote, indoctrination or education or
14 propaganda that was presented to this Council in the
15 early stages of its meeting, and that's because I
16 had spent over three years deeply involved in
17 investigating a lot of aspects of what goes on in
18 TVA and the reasons and so forth.

19 So personally many of those early
20 meetings -- you know, taking me through a lock was
21 absolutely something that I needed like a hole in
22 the head because I had been through the locks so
23 many times in my own boat, boats of various sizes,
24 that that was an educational experience I really
25 didn't need.

1 Now, that was a day of bonding with
2 my 19 fellow members and a certain amount of bonding
3 went on. Miles and I got to know each other. Julie
4 and we got to know each other on the bus coming back
5 from Wheeler Dam and so forth. That might have been
6 beneficial, it hasn't proven too beneficial so far.

7 Anyway, you know, I expressed that
8 opinion, and I really do, and I deeply resented some
9 of the early propagandizing that TVA did on the
10 beautiful perfection of the integrated river
11 management by TVA. I mean, if that's really the
12 purpose, then you're not seeking advice. You want
13 our acquiescence and endorsement that everything is
14 wonderful, and from my point of view it isn't.

15 And I wouldn't be here trying to
16 represent the stakeholders of the tributary lakes if
17 they felt everything was hunky-dory. I have been
18 very outspoken about that, and I will continued to
19 do so, until I see TVA take some action on
20 investigating it rather than just giving us the
21 stereotype propaganda answers that we have gotten
22 for years and year and years.

23 MR. DAVE WAHUS: May I ask that we
24 stick to the subject? The issue is who speaks for
25 the Council. And so if we could stay on subject for

1 the moment until we open it for other discussion, I
2 would appreciate it.

3 Any other comments on who speaks for
4 the Council? Does anyone wish to make any changes?

5 Hearing none, we will continue then
6 to -- yes. Paul?

7 DR. PAUL TEAGUE: First of all, those
8 meetings we had earlier was beneficial to most of us
9 because we didn't know what went on in the
10 integrated system. And as I quoted in the journal
11 article, it was very -- those were very beneficial
12 to me, but as far as your statement, Mr. Counselor,
13 to him, what he said was appropriate in that he was
14 explaining who speaks for the Council, that he was
15 speaking personally on that special issue, not for
16 the Council.

17 MR. DAVE WAHUS: Thank you. Any
18 other comments? Any other questions?

19 Then we will continue to use the same
20 guidelines and procedures of who speaks for the
21 Council.

22 The next issue is should the Council
23 continue to hear recommendations using only
24 consensus. You heard Kate's comments a few minutes
25 ago, and I would like to just, as a reminder, if you

1 haven't reviewed it recently, the Charter in the
2 paragraph titled meetings states that any
3 recommendation by the Council to TVA shall require
4 an affirmative vote of at least the majority of the
5 total Council membership on that date. Each Council
6 member shall be provided the opportunity to include
7 minority or dissenting views to accompany
8 recommendations by the Council to TVA.

9 Now, the revised Council procedures
10 and guidelines states that the -- and there are
11 about three paragraphs on dealing with consensus.
12 The responsibility of the Council is to develop
13 recommendations that have a high degree of consensus
14 as possible. Despite the fact that efforts to
15 achieve consensus can take more time and be
16 frustrating, the goal is consensus, even if it is
17 not always obtained. Consensus does not mean that
18 everybody is enthusiastic and supportive of a
19 recommendation. Some people may be very supportive,
20 while others are merely willing to go along with the
21 recommendation, recognizing that it is likely to be
22 the best they can get given the balance of interest,
23 but it does not mean that no significant interest
24 continues to openly oppose the recommendation.
25 So that is taken from the guidelines

1 and -- the procedures and guidelines just as a
2 reminder as to how you have gotten to this point.

3 So I would open up by asking, are you
4 happy with the recommendations of the Council? Do
5 your -- did the consensus process hold you back?
6 Any comments?

7 MR. PHIL COMER: What recommendations
8 to the Council?

9 MR. DAVE WAHUS: Well, you have two
10 recommendations that you have discussed and that you
11 will be -- will be dealing with here this morning,
12 later this morning, but you have discussed several
13 recommendations in past meetings.

14 And in those discussions, did
15 consensus hold you back? Did it create problems for
16 you? Did it water down the recommendations, so to
17 speak?

18 Is there -- Jim?

19 MR. JIMMY BARNETT: Speaking of the
20 aquatic weed one, yes, it watered it down because we
21 had to come to, I guess you would call it, the
22 lowest common denominator that everybody could buy
23 into. There were different groups that wanted to
24 have it stronger in one direction or the other.

25 Now, I guess, Kate, one of the

1 comments I have got is you have got a recommendation
2 and it was by consensus, and, you know, I personally
3 appreciate everybody around the table having their
4 input and willing to come to a consensus, is that as
5 valuable as saying, okay, there was -- pick a
6 figure, this is not representative of a true fact,
7 but pick a figure, if it was 80/20 to do thus and
8 so, would that give you more information or TVA more
9 information than to get a consensus opinion to do
10 something that was less than either one of those
11 particular viewpoints would have originally pointed
12 out?

13 DR. KATE JACKSON: I think it would
14 give us more information, and the more specific that
15 80 percent is the more helpful it is, so -- but I
16 think that's going to depend on a case-by-case
17 basis. I mean, you-all struggled a long time, and,
18 I mean, it addresses Phil's issue of how long the
19 deliberations go. Could you have in half the time
20 gotten to 80 percent consensus and more specific
21 recommendations? Maybe that's better.

22 MR. JIMMY BARNETT: I think that the
23 minority opinion should be as mentioned in the
24 guidelines a part of the package that goes to the
25 Board.

1 DR. KATE JACKSON: Sure, totally --

2 MR. JIMMY BARNETT: Yes, we could
3 have -- Jimmy's opinion only is that we could have
4 reached a decision a lot earlier.

5 MR. DAVE WAHUS: Other comments?
6 Paul?

7 DR. PAUL TEAGUE: Kate, that is a
8 change from our -- what you wanted originally or my
9 understanding of what you wanted, because you pushed
10 strongly for consensus.

11 On the land management we made our
12 own rules. We agreed that we would try -- make
13 every attempt to reach a consensus. On the front
14 end we agreed if we could not, we would take a vote
15 and report it accordingly. We made that decision
16 the first time we met, which was really -- we felt
17 was against what you originally had recommended to
18 us on that issue.

19 DR. KATE JACKSON: It is a change.
20 And I think the changes is as a result of watching
21 the deliberations and the struggles that you have
22 had at the subcommittee level and examining the
23 results and recommendations and, you know, trying to
24 look for -- are there some opportunities for process
25 improvement?

1 MR. DAVE WAHUS: Phil?

2 MR. PHIL COMER: I agree with what

3 Jimmy just said, there's just no question, I mean,

4 it was obvious that it took us a lot longer, and we

5 did end up, in many cases, not all, but in many

6 cases with a watered down, lowest common denominator

7 type of language and word sniffing and picky/picky.

8 On the other hand, 14 months into

9 this process, I hope we're not going to suddenly try

10 to change the rules and say, gee, whiz, let's go

11 back to the drawing board and now let's use a voting

12 procedure and we will use the remaining ten months

13 of our tenure rearguing and relooking at these same

14 things, now, I hope that that's not where we're

15 headed this morning with this discussion, because

16 based on the agenda, we are hopefully at having

17 three sets of recommendations from three

18 subcommittees to move on. They have all reached

19 consensus. I am hoping that they will move on to

20 the TVA Board of Directors and that we're not

21 hearing some early preliminary foreplay here as to

22 we're going to do it differently now and consume a

23 lot more time and still not get some recommendations

24 to the TVA Board, and that's my concern when I saw

25 this agenda.

1 MR. DAVE WAHUS: Ann?

2 MS. ANN COULTER: Well, I think
3 there's a logical inconsistency in expecting
4 specific recommendations and wanting those to be
5 reached by consensus, especially given that this
6 group has a sunset and we also have limited amounts
7 of time with each other in which to hammer out these
8 things.

9 I too have a little bit of a concern
10 that now that we have developed a way of dealing
11 with each other that we be expected to alter that.
12 I do believe in our subcommittee that while our
13 recommendations are rather general, they do
14 represent a consensus, but for us to develop more
15 specific recommendations may actually require
16 getting down to votes. We will deal with that as we
17 have to, but I think it's going to be difficult to
18 reach much more specific recommendations and take a
19 consensus approach. I think the two are -- the two
20 work against each other. And I don't think we
21 realized that at the beginning, but we certainly
22 realize that now.

23 MR. DAVE WAHUS: Thank you. Bruce?

24 MR. BRUCE SHUPP: I just want to make
25 the point that there's no need to change, but we

1 thought we would have this discussion to see if we
2 wanted to change. Certainly we wouldn't revisit
3 decisions that were made, but I think with the
4 amount of casual discussion that went on at the last
5 meeting, I think it was appropriate to have this
6 discussion. I think there's differences of opinions
7 expressed already, so I think we should continue to
8 try to thrash out where we want to go on this.

9 MR. DAVE WAHUS: Greer?

10 MR. GREER TIDWELL: Thanks, Dave. I
11 generally don't take time to just agree with three
12 other people, but I want to do that this time. I
13 completely agree with what Phil and Ann and Bruce
14 have just said.

15 I hear, Kate, a desire from the folks
16 who have to work out the detailed issues within the
17 Agency, the staff of the authority, seeking more
18 specific direction. And in dealing with lots of
19 government agencies, that's exactly what staff
20 wants, and I understand that completely.

21 I think the role of this Council, as
22 I understood it getting into it, was very valuable,
23 and, in fact, figuring out what that -- I wouldn't
24 call it lowest common denominator, I'd call it a
25 platform from which other things exude and work out

1 from, from which the details work from, and that
2 does need to be on a consensus basis when you have
3 got a wide range of interests here.

4 And in representing the conservation
5 community, as I have come to this Council, the idea
6 of a vote has a certain scary factor to it, given,
7 you know, some people I really respect and who I
8 believe have a lot of conservation ethic, but the
9 idea of a vote brings a certain amount of scariness
10 to it on certain issues. So I think not a lowest
11 common denominator but kind of a platform from which
12 other actions and more detailed actions will be
13 judged based on the consensus of this group.

14 MR. DAVE WAHUS: Ann, did you have
15 another comment?

16 MS. ANN COULTER: No.

17 MR. DAVE WAHUS: I don't want to
18 forget you over there.

19 MS. ANN COULTER: Sorry. I'll put
20 down my tent.

21 MR. GREER TIDWELL: I was proud of
22 myself for remembering to turn it up.

23 MR. DAVE WAHUS: Does anyone else
24 have any comments?

25 Well, the question then is: Do you

1 want to continue as you have reaching consensus? Do
2 you want to follow the process that Paul laid out a
3 few minutes ago or how do you want to get --

4 MS. MILES MENNELL: It would seem to
5 me that if we were to follow Kate's recommendation,
6 that as we do our recommendations and send them to
7 the TVA board the way they are, but then with the
8 suggestion that we come back and put in bounds.

9 For example, on that study, that at
10 that point there would be an opportunity for us to
11 present divergent points of view and that would take
12 care of the issue, so that we would have consensus
13 on the general recommendations, but as we were to
14 get down into brass tacks, there would be the
15 opportunity for more specifics.

16 MR. DAVE WAHUS: Okay. Thank you.
17 Any other thoughts? From what I'm hearing, then you
18 will continue with consensus. Any opposition to
19 that on -- as far as developing the general
20 recommendations? No opposition?

21 Kate, do you have any comment?

22 DR. KATE JACKSON: I mean, it's a
23 process issue that I think the Council needs to
24 determine. There are some ways that TVA can come
25 back and ask more specific questions, which I think

1 I am committed to doing, that can get at some of
2 those and provide some tools and mechanisms to fill
3 in some of the spaces that we'll need to fill in to
4 proceed with implementation of some of the
5 recommendations that we get, and we'll probably need
6 to do that, too, and we can deal with it that way.

7 MR. DAVE WAHUS: Okay. Hearing no
8 other comments or seeing no one else wishing to
9 comment, we will continue then with the consensus
10 process as laid out in the guidelines -- the
11 procedures and guidelines.

12 You guys are very good. You went
13 through these subjects a lot quicker than I
14 anticipated your doing so. You're -- we're getting
15 awfully close to the break here.

16 Do you have any other process issues?
17 This would be the appropriate time to bring up and
18 discuss any other process issues that any of you
19 might have.

20 Phil?

21 MR. PHIL COMER: I just want to make
22 a comment, and it's about consensus, first voting,
23 it's also about this, quote, innovator procedure
24 that, Kate, you mentioned earlier where somehow
25 there's a device where we vote yes, no, up and down,

1 whether playing that, quote, game, and I don't mean
2 that in an ugly sense, I mean, I don't know what
3 other term to use because I have never heard of it,
4 we need to be mindful of the fact that whether
5 reaching consensus or voting or coming back for
6 priorities or trade-offs or what-have-you, that this
7 20 member Council is not precisely evenly divided by
8 a group of 20 omnipotent tourists who had no vested
9 interest when they arrived here.

10 Most of us arrived here with a vested
11 interest. And God knows I did, and that's
12 well-known, but I also know that numerically, just
13 by looking at the list, this is true of almost
14 everyone else around the table. So I can almost
15 predict what some of the decisions are going to be,
16 not by what's best or right, if we had a thousand
17 people or if we were taking a survey or the entire
18 8,000,000 customers of TVA, et cetera, et cetera.

19 The outcome of many of these things,
20 including the innovator procedure or coming back and
21 asking us to -- are we going to spend this many
22 bucks on this or this is almost foreordained, I can
23 almost predict by the basis of the combination of
24 this 20 member committee, and let's keep that in
25 mind as we -- if we're going to move down that road.

1 Incidentally, I hated consensus the
2 first two or three meetings because I was not used
3 to it. I've never dealt that way. It was up or
4 down or black or white. I have kind of gotten used
5 to it now. It does work. And I agree with Greer,
6 lowest common denominator was not good language to
7 use, it's been better than that, and we have had
8 some examples of where I think the final product was
9 a definite improvement as a result of consensus
10 building.

11 MR. DAVE WAHUS: Paul?

12 DR. PAUL TEAGUE: I felt the same way
13 Phil felt about consensus, Kate knows that. We had
14 a long discussion on consensus the first time we had
15 lunch together, I felt the same way, but then when
16 we made our own rules in our committee that we would
17 diligently work for consensus, and if that failed,
18 we would take a vote.

19 I would like to say with our report
20 coming to the committee today, even though it is
21 general terms rather than maybe not specific enough,
22 not only did we have consensus, we had 100 percent
23 agreement, and I was very pleased that we were able
24 to do that, since the way I felt originally about
25 consensus.

1 MR. DAVE WAHUS: Thank you. Stephen?

2 DR. STEPHEN SMITH: Yeah, I guess I'm
3 a little like Phil. I'm interested in trying to
4 understand a little bit more about exactly what
5 would be the goal and objective of The Innovator. I
6 mean, I have used that before in other settings and,
7 you know, my initial impression is that it's a way
8 to get people's opinion pretty quick without people
9 necessarily have to be publicly identified what that
10 opinion is, and I'm not really sure that that's
11 going to be helpful in this process.

12 I would rather get people out front
13 on the record how they feel if we're going to build
14 trust and all of this other process and, you know,
15 make people stand sort of alongside what their
16 opinions are and that be pretty clearly defined.

17 Now, I may be missing the point of
18 what was going to be done with The Innovator, but,
19 you know, I think in a larger group setting it's an
20 innovator tool to get rapid feedback, but I think it
21 kind of defeats the purpose of what I understood we
22 were trying to do in this process. So maybe I am
23 seeking clarification or whatever on what that would
24 be, but I was a little concerned about that.

25 MR. DAVE WAHUS: Thank you. Any

1 other comments?

2 DR. KATE JACKSON: Well, you know, I
3 have been wrestling since the last Council meeting
4 trying to contemplate what the proposed integrated
5 river management subcommittee's recommendation on
6 the study, how we would proceed with that.

7 And I think the best example that's
8 in my mind is the water quality subcommittee
9 recommended that we use the water quality piece as
10 kind of critical path in any potential study and
11 that as we would move forward we would examine are
12 there state water quality limits that put bounds on
13 our ability to hold reservoir levels up longer.
14 Those bounds can be overcome by investment in
15 technology to prevent the implications of any sort
16 of degradation of water quality.

17 And how we think about, we TVA, think
18 about how to do that analysis, it isn't critical
19 path then. All it is is we will come out with a
20 resultant dollar amount that will need to be
21 invested to overcome a barrier produced by water
22 quality.

23 So how do I get input from you as to
24 your value based comparison of investment of
25 ratepayers dollars to solve a water quality problem

1 that allows us to deal with reservoir levels, not
2 withstanding all of the other financial benefits and
3 cost of changing the reservoir system, that's just a
4 really simple component example of something that
5 we're going to have to wrestle with as we go -- what
6 would be very helpful is if we could have a better
7 understanding of the relative value that you-all
8 place, you as representatives, and I recognize that
9 there are issues of, is it exactly balanced and are
10 there enough conservation people, I understand all
11 of that, but you're the best I have got.

12 So I want to use you to the best
13 advantage, and I'm just struggling with, what is
14 that, and I am perfectly willing to take another
15 tact. I need more input to help me unless -- I
16 mean, if we think this is taking us a long time to
17 get to the point where we can begin a study. A
18 study with no bounds is going to take us forever.
19 So that's what I am concerned about. Are there some
20 vehicles that I can through probing get more
21 information from you that allows any potential study
22 that we would do to be more efficient, more
23 effective, and get results faster.

24 DR. STEPHEN SMITH: And you think
25 that by using The Innovator you could move through a

1 range of possibilities quicker than if we just
2 basically were putting the information up and just
3 having a brief conversation where people sort of
4 gave you direct feedback?

5 DR. KATE JACKSON: I don't know.

6 DR. STEPHEN SMITH: I mean, I
7 encourage the feedback. I mean, I think that -- I
8 mean, I understand what you're saying, and I think
9 the feedback is important. I'm just wondering, is
10 it better to sort of try to do it at a -- in a more
11 transparent way, I guess?

12 DR. KATE JACKSON: I understand your
13 point, and I think that's something for the Council
14 to debate. I'm not going to force you to all wear
15 pink shirts. I mean, you guys need to decide how
16 you can best help me, and it might not be another
17 recommendation, it might not be pushing the
18 recommendation back, but providing greater feedback
19 to me to help bound that study.

20 DR. STEPHEN SMITH: One of the -- let
21 me suggest -- I'm sorry. I will get in line here.

22 MR. DAVE WAHUS: Phil. We will come
23 back to you, Steve.

24 MR. PHIL COMER: I just want to make
25 two points in answer to what Kate and Steve were

1 just saying. And again, I would like to say somehow
2 before condemning or embracing this Innovator thing,
3 I would like to know a lot more about it because I
4 am very skeptical of it, and apparently Stephen has
5 had some experience with it and he's expressed some
6 skepticism.

7 Now, your specific question about the
8 IRM, quote, recommendations, which have yet -- we
9 have reached a consensus, et cetera, et cetera, it's
10 on the agenda for later today, how to go about it,
11 how did you go about it in 1987 to 1990? You know,
12 TVA made an integrated river --

13 DR. KATE JACKSON: And let me address
14 that.

15 MR. PHIL COMER: No, I haven't
16 finished.

17 DR. KATE JACKSON: Okay.

18 MR. PHIL COMER: You know, you did it
19 once before, and by and large it was a very fine
20 study. Even I have been complimentary about it,
21 except there were just -- just need for more
22 stakeholder input while the process was going on,
23 that we have recommended in the recommendation to be
24 finalized hopefully at 11:15 this morning; and that
25 is, to form a series of ad hoc committees, small ad

1 hoc committees that can work with small groups
2 within TVA as this study has been in the process for
3 period of several years, and I understand that,
4 that's where the better guidance can be received and
5 evaluated, rejected or modified, is by smaller
6 working groups of ad hoc committees, plural, with
7 members from this Council, among others, being on
8 those, that's included in our recommendation.

9 To me that's a -- will end up in a
10 better end product than some up front, you know,
11 thing -- this Innovator procedure, which I don't
12 like it without knowing much about it, except it's
13 going to reflect the composition of this Council,
14 and the composition of this Council is far from
15 balanced, in my opinion. Forgive me.

16 MR. DAVE WAHUS: Bill?

17 DR. KATE JACKSON: Can I respond to
18 Phil?

19 MR. DAVE WAHUS: Yes, please do.

20 DR. KATE JACKSON: Sorry, Bill. The
21 way that we approached that -- the last study was to
22 put bounds on it before we ever walked out the door.
23 Flood control was off the table. Navigation was off
24 the table. The main stem system was off the table.
25 We looked at most of the tributaries, and that's

1 all. So we walked out the door bounded.

2 The second thing we did was invest
3 more than a year in going out and just saying
4 exactly what I have asked you, what do you want.
5 Chris Ungate spent hundreds of hours meeting with
6 thousands of people to get that input that he then
7 brought back in and we, as an agency, used to bound
8 the study and to begin to study some very specific
9 things.

10 And there are some assumptions made
11 and some limitations placed on it. The basis of
12 those assumptions and limitations was based on the
13 feedback that we got in that first more than a year.
14 The reason it was only a year is because the bounds
15 we put on the study before we walked out the door.

16 To the extent that we would pursue a
17 study that included navigation and flood control and
18 year-round issues and benefits and costs, tertiary
19 maybe benefits and costs, that study is wholly
20 unbounded. So going out and saying, what do you
21 want, the candy store from which we can choose now
22 has more choices in it, and because of that it will
23 take longer.

24 And even in populating those ad hoc
25 groups, if we don't go out characterizing the

1 approach and characterizing the kind of things we
2 want to contemplate, populating those groups in ways
3 that provide feedback in ways that we can go back
4 and implement and study will be increasingly
5 difficult.

6 So I guess my attempt is to try to
7 move forward in a way that best represents the
8 stakeholder needs but also makes it something
9 that's -- that isn't just, you know, throwing every
10 opportunity on to the table and starting over. So,
11 you know, I am just trying to get more better,
12 defined feedback to examine the study.

13 I'm sorry, Bill.

14 MR. DAVE WAHUS: Bill?

15 MR. BILL FORSYTH: To answer your
16 original question, you asked, how do we weigh the
17 trade-offs, our committee recommendation gives you a
18 way because we're asking that you take into account
19 the economic impacts of increased lake levels, and
20 that gives you a method to weigh the trade-offs. So
21 I think our recommendation does that for you.

22 DR. KATE JACKSON: And one of the
23 things that's difficult to contemplate is, how do
24 you compare recreation lake level increases for some
25 period of time with increased flood risks?

1 There are not -- there is not
2 available an economic engine that will help us
3 identify that, and so it comes to value judgements
4 at some point. We can do some of it. We can push
5 the envelope. We can evaluate some of those. Power
6 costs versus benefits for the region, those we can
7 deal with and we have dealt with.

8 So what we have done is we have used
9 an economist way of dealing with this, which is
10 studying stuff really hard where we can shine the
11 flashlight. The issue is some of these value based
12 comparisons are over in the corner in the dark, and
13 I'm trying to wrestle with, is there a way for us to
14 bring some of those value based issues into the
15 light.

16 MR. BILL FORSYTH: Are you saying
17 that there is increased flood risk for keeping the
18 lake up 30 more days in the fall?

19 DR. KATE JACKSON: Yes, and how much
20 and what the value of that is. We don't have the
21 best tools available. We don't have the same kind
22 of tools that we have to evaluate the forward price
23 curve of peaking power.

24 MR. BILL FORSYTH: There is more
25 chance of rain in the fall than there is in the

1 summer, I don't believe that.

2 MR. DAVE WAHUS: Just wait.

3 MR. BILL FORSYTH: I don't --

4 MR. DAVE WAHUS: Stephen?

5 DR. STEPHEN SMITH: Yeah. One of
6 the -- another possibility to get at what you're
7 doing, Kate, maybe is -- and I -- we're still
8 exploring this in another venue that works by
9 consensus, which is the SAMY (phonetic) process,
10 which is a similar sort of struggle among very
11 divergent interests to try to come to conclusion.

12 And for those of you who have been
13 frustrated in this process, that process started in
14 1993 or 4 and has yet to make a single
15 recommendation and has been a -- like a cold
16 molasses, but there is a sunset provision there and
17 there's been some good work and observations that
18 have come out of it.

19 One of the things that I might
20 suggest that we consider is that if you were to come
21 with a set of issues that you wanted feedback on,
22 and instead of asking this group to reach consensus
23 necessarily on the feedback, what we could try to do
24 is come up with capturing observations, and
25 capturing those observations then could provide some

1 guidance to you and your staff in a way that would
2 allow us to move, say, more deliberately through the
3 process without having to, you know, microdissect
4 everything to where everybody was in 100 percent
5 agreement, you would capture a number of
6 observations.

7 So it could give you, I think, a more
8 expedited way of capturing and getting feedback if
9 you could say, okay, here are the issues we're
10 struggling with, you know, and you throw those up,
11 let us ask some questions, and then say -- have
12 somebody just capture observations that people feed
13 in on and try -- and us try to, as much as possible,
14 identify where we agree on those observations and
15 where somebody may be just kind of an outlier.

16 And it wouldn't necessarily be a
17 definitive process that the Council has officially
18 spoken, but I think it would give you some feedback
19 relatively quickly, and then it would allow us to
20 understand, you know, our cohorts' positions on
21 various things.

22 You know, I offer that as a possible
23 suggestion. It would be transparent. I think it
24 would move quicker than trying to say are we in 100
25 percent consensus on this and an observation would

1 not necessarily be binding.

2 MR. DAVE WAHUS: Phil?

3 MR. PHIL COMER: I just -- when I put
4 the card up I wanted to express the feeling that
5 this conversation was beginning to get into too much
6 detail on the one issue of the integrated river
7 management recommendations, and I know this is a for
8 instance but, you know, let's not keep going down
9 this path to the point that suddenly we're engaged
10 in that debate today.

11 MR. DAVE WAHUS: I agree with you. I
12 was about to bring it back to the --

13 MR. PHIL COMER: That concerns me.
14 Although, I came prepared to do battle on that
15 subject 5:00 every morning to 5:00 every afternoon.
16 I live in Dandridge. I will volunteer my services
17 to come down as a one-man committee and to pursue
18 this any day, five days a week, very handy, and
19 will, of course, share my advice all day long if you
20 want it.

21 MR. DAVE WAHUS: Thank you, Phil. We
22 will talk about the integrated river management
23 recommendation, oh, about 11:00 or so.

24 Any other comments or suggestions,
25 questions on the process?

1 Getting closer to that break.
2 Hearing none, you have given us some very
3 interesting comments and suggestions, then I will
4 look to -- back to Kate and ask her to address
5 how -- what she anticipates happening after the
6 March 2002 contract.

7 DR. KATE JACKSON: First of all, the
8 lawyers tell me that our last breath on this Charter
9 is actually not March, it is from the time that the
10 Charter was approved by GSA, which is February 3rd,
11 and that's something that I didn't know until the
12 lawyer looked at the agenda and said that's wrong.
13 So February 3rd is the date to which we are focused.

14 And I guess first I would like to
15 say, I would prefer to focus on from here until
16 February rather than from February to infinity. I
17 think that -- I don't want to presume that the
18 Council will be extended. I would like for us to do
19 our good work and move forward based on that.

20 Now, one of the reasons that I don't
21 want to presume is that you-all didn't sign into
22 life service on the Council, and I recognize this
23 has been great investment of your time and energy.
24 However, I do think that many of the things and the
25 activities that the Council has done and the

1 communication we have gone through and your
2 opportunities to communicate your positions and your
3 issues to us but also communicate the work of the
4 Council and TVA externally has been a real value.

5 So I would not say that I wouldn't
6 contemplate extending the Charter or modifying it
7 somehow for this to move forward. However, I think
8 that needs to be based on input from all of us. The
9 learning curve that many of you have survived since
10 last March, you know, has been an incredible
11 investment by us and by you, and if there is an
12 opportunity for us to utilize that in an ongoing
13 way, I want to look forward to that opportunity.

14 Now, maybe there are some things that
15 we can contemplate and we ought to be thinking about
16 between now and February as to how this could be
17 changed and reconstituted to be easier on you but
18 continue the work of the Council, I'm perfectly open
19 to that, but I guess my advice to all of us is let's
20 do the work now and then let's see what we want to
21 do when we get to February.

22 DR. STEPHEN SMITH: When do you have
23 to make a decision about the February, is there some
24 sort --

25 DR. KATE JACKSON: I'm looking past

1 you to the lawyer.

2 MR. BARRY WALTON: We can extend it
3 anytime up to February 3rd or probably even
4 afterwards, but I would say we need to -- we need to
5 have a direction before Christmas, would be my
6 recommendation, right around that time to get it
7 done and keep the Council going.

8 MR. BRUCE SHUPP: Steve?

9 DR. STEPHEN SMITH: Bruce, could you
10 share a little bit of your experience, because I
11 know in some of the early conversations when this
12 was being formulated we had -- you and I have talked
13 a lot about this, you were on a similar body that I
14 think sort of went through some of the initial pains
15 and then reached sort of an equilibrium that made it
16 even more effective after some point in time. I
17 mean, can you share a little bit about your
18 experiences there, what may be relevant?

19 MR. BRUCE SHUPP: Well, let me make a
20 point, it's another FACA advisory council. I do not
21 serve as a member of that Council. My boss, Helen
22 Sevier, is a Council -- as a matter of fact, she's
23 been chair for about five years. So I'm a staff
24 person of that Council.

25 There's 18 members on that Council

1 that advises the Secretary of Interior on fishing
2 and boating matters. It's composed differently than
3 this subcommittee in that those 18 members are all
4 strong advocates for sport fishing and boating. It
5 isn't set up as a diverse representation of
6 everybody who uses America's waterways. It's
7 focused.

8 All right. Because of that focus --
9 and the members represent state government, federal
10 government agencies, public interest groups,
11 industries, the boating and sport fishing
12 industries. They meet about twice a year for about
13 four hours each meeting, but the staff work is
14 incredible.

15 And those of us that represent the
16 members of the Council are state people, federal
17 professionals, industry representatives. We work --
18 one year I had 50 percent of my time on Council
19 business, that's how extensively they get into
20 investigating issues.

21 The Council members themselves
22 participate as they wish. Some get extensively
23 involved, most don't, but it's a very different
24 Council because of the focus of the very specific
25 advocacy type focus of that group. So it's hard to

1 compare. You can compare the operating styles
2 possibly, but the operating styles differ so much
3 because of the diversity of the opinions of this
4 group.

5 DR. STEPHEN SMITH: Because if I
6 remember correctly, you had indicated at one time
7 that there was -- and maybe I misunderstood this,
8 that there was a period where there were a large
9 number of people on the Council that were sort of
10 lukewarm about their participation on the Council,
11 and then after it went through its first iteration
12 some of those folks cleared off and then it really
13 seemed to pick up its pace and became more
14 effective, and I am just wondering if there's any
15 lessons in your eyes learned there or anything.

16 MR. BRUCE SHUPP: There's certainly
17 lessons learned to that Council. Applying them to
18 this one, it's very difficult.

19 What we had -- and I wasn't involved
20 with that Council in its early years. They really
21 didn't know why they were appointed or what their
22 mission was, and that evolved over a period of a
23 couple of years. By the time I came in in 1995 they
24 had recognized their focus and then reconstituted
25 membership several times during that period to get

1 people that would be more involved, so that was just
2 a growing process.

3 We don't have that problem. I mean,
4 this Council has been extremely involved. I mean,
5 the turnout for our meetings has been exemplary. I
6 mean, you just don't -- I mean, this is our lightest
7 meeting and there's some very real circumstances
8 that people couldn't get here, but I think the
9 membership of this Council and the loyalty it has
10 showed to its meetings has just been outstanding.

11 MR. DAVE WAHUS: Bill?

12 MR. BILL FORSYTH: I've just got a
13 procedure question. I have heard it stated both
14 ways on various occasions in our meetings, but are
15 we working towards one single report that would go
16 to the TVA Board on all our recommendations or are
17 our recommendations going to be sent individually to
18 the TVA Board as they are decided on?

19 MR. BRUCE SHUPP: I hope today -- I
20 hope today to put those three recommendations in the
21 mail early next week if we can agree on them. We
22 have agreed on two, I think, and we will deliberate
23 today, and the instructions to the facilitator is
24 reach consensus today, no rewrites, no
25 redistribution, and I should have three policies to

1 transmit to the Board next week, I hope.

2 MR. DAVE WAHUS: Does that answer
3 your question, Bill?

4 MR. BILL FORSYTH: Yes.

5 MR. DAVE WAHUS: Any other questions
6 or any other comments? Ann?

7 MS. ANN COULTER: Well, I do think
8 having a deadline tends to keep you on track a
9 little better than if you don't have one. So I
10 would like to see us have some rather firm notion
11 that we would like to have our work done, at least
12 whatever was conceived of in this first phase, by
13 that deadline, February.

14 MR. DAVE WAHUS: If you look near the
15 bottom of your schedule or agenda for today, the
16 scheduling next meeting or meetings will be
17 addressed and I believe part of that deadline will
18 be addressed during that period.

19 Bruce?

20 MR. BRUCE SHUPP: I make a
21 recommendation that we take a break now, but we
22 could come back and move that discussion of the
23 final meetings of this Council, scheduling those out
24 up in the agenda to right now. We have time. Let's
25 give that a good thorough discussion of how often

1 we're going to meet between now and next February
2 and where are we going to meet, how are we going to
3 focus those meetings, what are we trying to achieve
4 by each meeting, let's talk about that after we take
5 a break.

6 MR. DAVE WAHUS: All right. We have
7 one more person. Greer?

8 MR. GREER TIDWELL: Yeah, I think
9 this may fit in before the break. To me the
10 decisions about what we need to do as a Council
11 between now and February and the potential
12 reformulation after February or reconstitution or
13 closing off the FACA process really needs to be
14 educated by the Board's response to this process.

15 And Kate, as valuable as your level
16 of perspective is to the process of us looking at
17 what the Valley needs and what the Authority needs
18 to do for the Valley, I think we have also got to
19 get some feedback from the Board about how -- what
20 is essentially a political process, opinions forming
21 action and how the Board responds to that.

22 So I'm a little leary of trying to
23 set in stone today what we want to do for the next
24 nine months and thinking about what we want to do
25 after that, if anything, until after we have given

1 the Board a chance to respond to these first three
2 recommendations and go through a process of figuring
3 out how we can work effectively with the Board.

4 MR. BRUCE SHUPP: Yeah, that's about
5 what I want to talk about, to say by next meeting
6 can we expect -- and I think we can put this off
7 until after the break, can we expect to get some
8 answers on these policies. And if we can, then
9 let's give them enough time -- give the Board enough
10 time to comment and schedule the next meeting for
11 that.

12 We have a few other policy
13 recommendations coming to us by the next meeting.
14 The navigation subcommittee has one, and the water
15 quality subcommittee will have a couple of others,
16 none of them near the consequence of some of the
17 other ones, but recommendations on priorities and
18 programs. So we know that's coming.

19 And if we can get feedback from the
20 Board on the other recommendations or at least some
21 of them, that would be really helpful. So we can
22 think about that and schedule that meeting for that.

23 Let's adjourn for --

24 MR. DAVE WAHUS: I'm sorry. We have
25 one person who wishes to speak. Paul?

1 DR. PAUL TEAGUE: I agree we can make
2 a decision on the meetings. I also agree we cannot
3 make an intelligent decision on our impression
4 should this Council be continued. To make that
5 decision right now, I think most people would agree
6 with me, would be a gut feeling only because we --
7 unless the Board responds favorably to our
8 recommendations, then we're totally useless.

9 MR. BRUCE SHUPP: Let's adjourn and
10 come back promptly at a quarter to 10:00.

11 (Brief recess.)

12 MR. BRUCE SHUPP: Okay. Dave?

13 MR. DAVE WAHUS: For those members of
14 the public that would like to speak this afternoon
15 when we have public -- public comments at 1:00, I
16 would like to remind you that we ask that you please
17 register so we know that you would like to speak.
18 We would use that information so we can adjust our
19 timing. Public comment period will begin at 1:00.

20 MR. BRUCE SHUPP: All right. Let's
21 open the discussion on potential meeting times and
22 places. We have -- we could squeeze four meetings
23 into this remaining ten months. I think three would
24 be probably a lot smoother. It could be September,
25 November, January, it could be August, November,

1 January, however you want to do it.

2 What are your wishes?

3 MR. JIMMY BARNETT: Mr. Chairman, I'd
4 like to make a comment. What are we going to
5 discuss?

6 MR. BRUCE SHUPP: Well, that's what
7 we want to bring out. That's why we started the
8 discussion. At the next meeting we're going to have
9 two policy recommendations, navigation subcommittee,
10 water quality subcommittee. I just learned -- how
11 many people -- is there anybody in the audience here
12 to discuss the roof issue on the campground?

13 MS. JULIE HARDIN: Maybe they will
14 come in after.

15 MR. BRUCE SHUPP: They could be
16 coming in after.

17 MR. PHIL COMER: I had four or five
18 say they would be here this afternoon.

19 MR. BRUCE SHUPP: Okay. We're going
20 to hold to that time. We don't want to change that
21 time.

22 MR. PHIL COMER: That situation is on
23 the upper end of Cherokee Lake.

24 MR. BRUCE SHUPP: The reason I am
25 bringing that up is that during the break Bridget

1 told me that TVA would extend the deadline on that
2 removal process so the public land subcommittee
3 could discuss that issue and bring back
4 recommendations at the next meeting, which would
5 probably be August or September. So that was good.
6 It gives us time to deliberate it and not debate it
7 today. So that's a -- that's a third thing for the
8 next meeting. Hopefully, we will have feedback from
9 the Board on the recommendations, on these three
10 that we hope to deliver to you today. That's a full
11 agenda at the next meeting.

12 MS. JULIE HARDIN: Yes, it is.

13 MR. BRUCE SHUPP: So that's that
14 meeting. I can't predict beyond that, but certainly
15 the next meeting is going to be an important one.

16 MS. JULIE HARDIN: I think I would
17 like to suggest that we next meet early September,
18 Bruce, rather than during August vacation schedules
19 and so forth.

20 MR. BRUCE SHUPP: All right. I would
21 like to select a target date.

22 MS. JULIE HARDIN: Yep. Have you got
23 your calendar there? I don't have a calendar with
24 me, so you go ahead.

25 MR. BRUCE SHUPP: Well, you certainly

1 don't want to do it Labor Day weekend.

2 MS. JULIE HARDIN: No. No. No.

3 MR. BRUCE SHUPP: So an ideal date

4 may be Tuesday and Wednesday, the 11th and 12th of

5 September, how does that sit with people's

6 calendars?

7 MS. JULIE HARDIN: That's fine. It's

8 not good for Miles.

9 MS. MILES MENNELL: No, absolutely

10 not.

11 MR. W. C. NELSON: I think four

12 months is an awful long time to wait to have another

13 meeting. I think that's quite awhile.

14 MS. MILES MENNELL: I would like to

15 see it for the end of August, just sometime in

16 August.

17 MS. JULIE HARDIN: Okay. That's

18 fine.

19 MR. PHIL COMER: I would, too.

20 MS. MILES MENNELL: Or anytime in

21 August.

22 MR. PHIL COMER: I agree with Miles.

23 MR. BRUCE SHUPP: Move it to August.

24 MR. PHIL COMER: With a relatively

25 short time left, you know, everybody will want to

1 skip Christmas obviously.

2 MR. BRUCE SHUPP: December is a
3 non-month.

4 MR. PHIL COMER: I think we should
5 shoot for, you know, mid August.

6 MS. JULIE HARDIN: Name your date,
7 Phil.

8 MR. PHIL COMER: 14th and 15th.

9 DR. KATE JACKSON: I'm unavailable
10 that week and the next week. Now, that does not --

11 MR. PHIL COMER: 7th and 8th, how
12 about the 7th and 8th?

13 MR. BRUCE SHUPP: That was my problem
14 for me, Phil, I can't do that.

15 MR. PHIL COMER: 7th and 8th?

16 MR. BRUCE SHUPP: No.

17 DR. KATE JACKSON: As you know
18 though, we did say that Janet Herrin could be the
19 substitute DFO. So if there is no ability for me to
20 meet, we can -- I don't have Janet's calendar here.

21 MR. BRUCE SHUPP: It would be very
22 difficult -- if we're going to have recommendations
23 back from the Board, I would think that you would
24 have to be here.

25 DR. KATE JACKSON: I would like to be

1 here.

2 MS. MILES MENNELL: How about the
3 28th and 29th?

4 MR. BRUCE SHUPP: That's good for me.

5 MS. JULIE HARDIN: That's good for
6 me.

7 MS. MILES MENNELL: It's good for me.

8 MR. PHIL COMER: That's good for me
9 if my wife will allow me to miss my 53rd wedding
10 anniversary.

11 MR. BRUCE SHUPP: Bring her along,
12 we'll have a party.

13 MS. MILES MENNELL: There you go.

14 MS. JULIE HARDIN: Fifty-three years
15 she's been married to you.

16 MR. KARL DUDLEY: God bless that
17 woman.

18 MS. JULIE HARDIN: She deserves a
19 prize.

20 MR. PHIL COMER: She gets one every
21 morning, 4:30 every morning.

22 MR. BRUCE SHUPP: Moving right along,
23 28th and 29th of August.

24 MS. JULIE HARDIN: Sounds good.

25 MR. BRUCE SHUPP: Going once, going

1 twice, we got it, 28th and 29th of August.

2 Location?

3 MS. JULIE HARDIN: What day of the
4 week are the 28th and 29th?

5 MR. BRUCE SHUPP: Tuesday and
6 Wednesday.

7 MS. JULIE HARDIN: Great.

8 MR. BRUCE SHUPP: The locations have
9 already been investigated by TVA staff, because when
10 Dave and Kate and I met a couple of weeks ago we
11 decided if we meet in August those are the only days
12 we could meet, so you picked good ones.

13 And there's two places available,
14 Guntersville State Park and a facility on Barkley
15 Lake. I would chose Guntersville for the simple
16 reason that after all of the discussion on aquatic
17 vegetation, we would be there in August to see it at
18 its full bloom, and I think the magnitude of the
19 issue would ring true to everybody that we saw it.

20 MR. PHIL COMER: And we could have
21 another boat ride.

22 MS. MILES MENNELL: I hope so.

23 MR. BRUCE SHUPP: Well, I don't know
24 about that. We could probably arrange a couple of
25 fishing trips if people wanted to do it.

1 MS. JULIE HARDIN: And an anniversary
2 party.

3 MR. BRUCE SHUPP: So Guntersville is
4 one option and Kentucky Lake is -- Barkley Lake is
5 another.

6 MR. PHIL COMER: I suggest
7 Guntersville for the reason you just said Bruce, the
8 aquatic weeds.

9 MS. MILES MENNELL: Me, too.

10 MR. JIMMY BARNETT: I will second or
11 third that.

12 MR. BRUCE SHUPP: All right. It
13 sounds like there's pretty much a consensus on that
14 then. Good meeting facilities -- excellent meeting
15 facilities at the state park. The housing is not as
16 luxurious as you have been used to in some of these
17 city hotels, but it's adequate and it's a gorgeous
18 place to be, really nice. If you have to be
19 someplace in August when it's 102 degrees,
20 Guntersville State Park is a good place to be. All
21 right. That's it, 28th and 29th, Guntersville State
22 Park.

23 MR. DAVE WAHUS: Do you want to look
24 past that?

25 MR. BRUCE SHUPP: How about next?

1 October, November, any preferences? No thoughts?

2 MR. PHIL COMER: October 9th and

3 10th.

4 DR. KATE JACKSON: That's bad for me.

5 MR. PHIL COMER: 16th and 17th?

6 DR. KATE JACKSON: That's bad for me.

7 MR. PHIL COMER: 23, 24?

8 DR. KATE JACKSON: I can do that.

9 MR. PHIL COMER: Okay.

10 MR. BRUCE SHUPP: I can do that.

11 MR. DAVE WAHUS: I can do that.

12 MR. BRUCE SHUPP: Well, we have got

13 the facilitation team there.

14 MR. W. C. NELSON: Why are we going

15 to Tuesday and Wednesday all of a sudden?

16 MR. PHIL COMER: So we can avoid

17 Monday and Friday.

18 MS. MILES MENNELL: Yeah, please.

19 MR. W. C. NELSON: Tuesdays just

20 kills me.

21 MR. PHIL COMER: 24th, 25th.

22 MR. BRUCE SHUPP: That's fine.

23 MR. PHIL COMER: 24th, 25th.

24 MR. BRUCE SHUPP: Any problems with

25 that? Good, we got it.

1 MS. JULIE HARDIN: So that's a

2 Wednesday and a Thursday, right?

3 MR. BRUCE SHUPP: Yes.

4 MR. GREER TIDWELL: It's pretty well

5 locking us into just two meetings after the Board

6 responds, the end of October and then January.

7 MR. BRUCE SHUPP: If there's

8 something we really had to do, we could -- you know,

9 we can schedule another meeting, but, you know, if

10 we do October and there's something serious enough

11 to make a meeting in November or early December,

12 which is tough, but --

13 MR. PHIL COMER: That's what I think

14 he's saying. Greer, I agree with you.

15 MR. BRUCE SHUPP: I think three

16 meetings is about it from now until the end, and

17 subcommittee actions, you know, as much as

18 necessary. I think that's far enough ahead.

19 MR. PHIL COMER: 24th and 25th of

20 October, Wednesday and Thursday.

21 MS. JULIE HARDIN: And where?

22 MR. PHIL COMER: I like that place in

23 Young Harris, Georgia, W. C.

24 MR. W. C. NELSON: Brasstown Valley.

25 MR. PHIL COMER: Do a Chamber of

1 Commerce job on us.

2 MR. BRUCE SHUPP: Young Harris,
3 Georgia?

4 MR. W. C. NELSON: That's peak
5 season.

6 MR. BRUCE SHUPP: That would be peak
7 season. That may be difficult to get in. We could
8 also go to travel convenience, and Chattanooga is
9 probably as centered as good as you can do,
10 something like that.

11 MR. PHIL COMER: The only place
12 better than that is Knoxville.

13 MR. BRUCE SHUPP: We'll leave it up
14 to staff to look for some options?

15 DR. KATE JACKSON: Fine.

16 MR. BRUCE SHUPP: Report back at the
17 next meeting, August meeting. All right. We're
18 good. Let's hold the next schedule until down the
19 road. Thank you.

20 Where are we?

21 MS. JULIE HARDIN: I'm sorry. Did we
22 just plan November's dates or we haven't done that
23 yet?

24 MS. MILES MENNELL: We're waiting.

25 MR. BRUCE SHUPP: We planned

1 October's dates.

2 MS. JULIE HARDIN: I have got that.

3 MR. BRUCE SHUPP: We decided we
4 wouldn't go ahead with that.

5 MS. JULIE HARDIN: Thank you.

6 MR. BRUCE SHUPP: That brings us into
7 the old business category and we're on to the
8 recommendations of the subcommittees. The first one
9 on the docket is water quality subcommittee, Jimmy
10 Barnett.

11 MR. JIMMY BARNETT: Okay. As Bruce
12 mentioned, I will give just a couple of slight
13 comments about upcoming recommendations and assure
14 everybody that I don't think these others are going
15 to be as hard to deal with as the aquatic weeds one.

16 One will be concerning the reservoir
17 releases improvement program as it pertains to water
18 quality and one concerning the watershed improvement
19 program as it pertains to water quality and actually
20 one concerning the water quality monitoring program.
21 So there will be three recommendations that you will
22 be getting. We will get these to you prior to the
23 next meeting.

24 Before getting to the aquatic weed
25 thing, one comment as chairman of the water quality

1 subcommittee, Kate, we feel that we will have
2 completed our review of TVA's water quality
3 activities when the above three recommendations,
4 excluding the aquatic weed thing which we will
5 discuss here in a moment, when they have been
6 finalized, that's the major things that we came up
7 with as a subcommittee.

8 Now, if TVA has any questions to
9 which they would like us to respond or have any
10 activities or concerns they would like us to
11 address, we will stand ready to do so. Otherwise,
12 we're a bit reluctant to start delving into other
13 areas without some input from TVA as to what they
14 feel would be a significant enough benefit to
15 justify the time, particularly given the short time
16 frame we have got left.

17 Gosh, we had two pages -- two or
18 three pages of different things, but most of them
19 have been pushed into the recommendations that we
20 have -- one we have made and the others that are out
21 there. And though we can look at a lot of other
22 things, we feel like we'd probably be spinning our
23 wheels. We want to do whatever is most beneficial.

24 DR. KATE JACKSON: Thank you.

25 MR. JIMMY BARNETT: Okay. The water

1 quality subcommittee would like to thank the Council
2 for their consideration of and action on the aquatic
3 weed recommendation. We all understood and
4 appreciate the efforts of each of the Council
5 members in reaching this particular consensus
6 language.

7 The Council members that are on that
8 subcommittee particularly appreciate that because we
9 participated in both sides of it. So we want to
10 just express our appreciation to the full Council
11 for their consideration, soul searching and
12 whatever.

13 The letter that Bruce sent out when
14 he sent out the fourth draft of the recommended
15 aquatic plant management policy, in that letter he
16 made a comment, "No response from us Council members
17 by May the 2nd will be considered your approval of
18 these policy recommendations." Since Bruce heard
19 nothing and I have heard nothing, this fourth draft
20 as you-all have in front of you in your packet or
21 was sent to you I would like to recommend to the
22 Chairman that that be presented to the TVA Board as
23 written.

24 MR. BRUCE SHUPP: Thank you. Mr.
25 Chairman, if there aren't excepts, then we will

1 probably present that as our No. 1 recommendation,
2 policy recommendation.

3 Does that conclude your report?

4 MR. JIMMY BARNETT: Yes, sir.

5 MR. BRUCE SHUPP: On to the
6 integrated river management subcommittee, and
7 reporting for that committee today is Bill Forsyth.
8 Roger Bedford was -- is the chair of that committee.
9 He could not be here because of legislative
10 responsibilities, and Austin Carroll was going to
11 substitute for Roger and he has a very, very sore
12 foot, so he could not join us either.

13 So Bill, go right ahead.

14 MR. BILL FORSYTH: I have just now
15 discovered that the packet that was on my desk does
16 not contain the final draft.

17 MR. PHIL COMER: I went around this
18 morning and put a copy of the final one by every
19 person's packet.

20 MR. BILL FORSYTH: This is the one I
21 got yesterday.

22 MR. PHIL COMER: That's right. I
23 knew you already had one.

24 MR. BILL FORSYTH: Oh, okay.

25 MR. PHIL COMER: I had a limited

1 supply.

2 MR. BILL FORSYTH: If everybody has
3 draft five, at our last meeting we essentially
4 approved draft four and asked for comment -- a
5 certain amount of time to comment. There were four
6 comments. Those comments were not of a substantive
7 nature. They recommended changes in words or
8 deletion in words. We approved two of those, and I
9 will let Phil, our scribe, describe that.

10 MR. PHIL COMER: Okay. Look at draft
11 No. 5, dated May 10, 2001. Look on page two, the
12 very bottom, bottom, bottom line bullet, one --
13 there's -- incidentally we had a deadline also, and
14 these suggestions came in within the deadline. So
15 they were very legitimate.

16 And the suggestion was, and we
17 approved it unanimously yesterday, "Stewardship of
18 the natural resource values of the lands and
19 waters," was the addition.

20 On page three, "Encourage TVA to
21 operate the reservoir system for sustainable growth
22 and keep commitments (water temperature, minimum
23 stream flows, ex cetera)" was added. It was
24 unanimously approved yesterday afternoon.

25 Page four, under item D, "We

1 recommend that TVA incorporate public participation
2 in its studies to ensure the credibility of the
3 studies." The suggestion was to eliminate the
4 parenthetical expression after participation, as
5 appropriate, the recommender said, it's always
6 appropriate. So eliminate that as appropriate.

7 Those are the only changes. And as
8 Bill said, we approved them all unanimously in the
9 subcommittee yesterday.

10 MR. BILL FORSYTH: Our subcommittee
11 recommends this draft of our recommendation to the
12 full Board for approval.

13 MR. BRUCE SHUPP: Thank you, Bill.
14 So accepted. For the record, you had no negative
15 comments during your comment period, did that
16 represent a consensus as you described it in the
17 instruction letter, is that correct?

18 MR. BILL FORSYTH: That's correct.

19 MR. BRUCE SHUPP: Thank you. Okay.
20 We have got two policy recommendations. We're going
21 to work on a third.

22 Ann, would you like to present the --
23 or chair the public lands subcommittee -- the
24 recommendations from the public lands committee on
25 the public lands management policy?

1 MS. ANN COULTER: Is that a question?

2 I would love to, is the answer. Please pardon me if

3 I sit while I do this. I'm going to be consulting

4 as I go through some documents in front of me. So I

5 feel it's less distracting if I sit than if I stand

6 and throw papers around me while I'm talking.

7 You received our draft

8 recommendations, which are numbered draft three and

9 dated April 19th, 2001, and that consists of four

10 recommendations with a number of bulletin points

11 under some of those recommendations. So that's --

12 that's what I will be talking from.

13 Up on the screen at the front of the

14 room you will see a list of our subcommittee

15 members, and you can note that on the right-hand

16 side are the four members who are not on the Council

17 but were added to our subcommittee to give us a

18 broader range of perspectives as we move through the

19 issues.

20 And as Chairman, I definitely want to

21 thank not only my Council subcommittee members but

22 these additional members who were an integral part

23 of what we're going to talk to you about today. We

24 definitely appreciate those folks' time and energy

25 in helping us with this.

1 MS. JULIE HARDIN: Ann, if those
2 members are in the room, perhaps they could stand.

3 MS. ANN COULTER: I believe they are
4 all here. Would you like to stand? Please stand.

5 MS. JULIE HARDIN: Shannon is not
6 here.

7 MS. ANN COULTER: I don't know where
8 Shannon is. She was with us yesterday. Thanks,
9 Julie.

10 So what I am going to be covering
11 today are the draft recommendations for your
12 consideration and later discussion. We should have
13 some time this morning for additional clarification
14 that you may require.

15 I am going to talk very briefly about
16 what our subcommittee's objectives were, what our
17 charge was as we started work, and then how we went
18 about deliberating these recommendations. And I am
19 going to give a very brief snapshot of some
20 information that all of us saw early on but we had
21 to revisit as we were more or less awed by the
22 immensity of the various -- the range of policies
23 and procedures and issues that this subcommittee
24 dealt with. And then I am going to go through the
25 recommendations and also talk a little bit about the

1 information that we used to guide us in our thinking
2 about the recommendations.

3 Our Charter was to study and examine
4 issues relative to TVA's management of public lands
5 and activities, including recreation, management of
6 shorelines, and multipurpose use of public lands,
7 including management of natural resources,
8 protection of critical habitats and economic
9 development.

10 We were to explore and address past
11 and current management practices and to formulate
12 recommendations for consideration to the Council and
13 submittal to TVA that would improve or otherwise
14 enhance the management of these resources for the
15 benefit of stakeholders in the Tennessee Valley and
16 driven by input from these stakeholders.

17 There were a couple of issues that we
18 discussed early on, not only as a subcommittee but
19 we also discussed in early Council meetings late --
20 sort of late summer last year that led us to not
21 address specifically separately as a subcommittee
22 two issues, and I wanted to clarify that because I
23 still think there's some confusion in the minds of
24 the public about just what we have addressed and
25 what we have not addressed.

1 One of those is on water recreation
2 issues. And if you will recall back last year when
3 we were -- the issue of what was going on in the
4 Ocoee and the various considerations going on with
5 whitewater sports were brought to us, it was
6 determined that although that is largely recreation
7 and economic development that that issue has at
8 its -- sort of the guts of it the integrated river
9 management types of consideration.

10 So at that point we determined, along
11 with the members of the other subcommittee, that
12 water recreation issues would be dealt with by the
13 integrated river management subcommittee. So we did
14 not deal with those separately.

15 The second was the issue of lake
16 levels, and although we definitely realized that
17 lake level issues crosscut public land issues,
18 particularly with regard to recreation and economic
19 development, that by its nature and complexity the
20 subject calls for the kind of debate that is the
21 charge of the integrated river management
22 subcommittee. And we had one of the subcommittee
23 members join us at one of our public hearings, and
24 we have forwarded our written public comments on
25 that issue to that subcommittee.

1 This is a summary of our meetings,
2 and we determined early on two things, that our
3 subcommittee didn't represent the full range of
4 perspectives that we needed to have at the table for
5 a good discussion and deliberation, and we began to
6 seek people who represented broad constituencies and
7 had a level of expertise and a range of perspectives
8 that we needed and that was how we invited the folks
9 that we invited to join us.

10 We also determined that given the
11 nature of the subjects that we were to address, it
12 was important to seek an additional level of public
13 input, which we did with three public hearings and
14 various mailings. So very briefly I will go through
15 these.

16 Our first meeting was on June 9th.
17 By September 21st we had added our additional
18 subcommittee members. Our first public hearing was
19 in Nashville, where we only -- disappointingly only
20 had five people. We had nine written responses out
21 of that.

22 We had our next meeting in November.
23 And interspersed between the meetings you will see
24 teleconferences where we continued to do our
25 subcommittee business. And in December of last year

1 we mailed out to 212 representatives of conservation
2 and economic development, recreation and shoreline
3 management interest a survey asking their opinion
4 about relevant public lands issues. We have
5 continued to get responses from that, and that has
6 formed a basis of a good bit of our -- of the
7 information that we have considered.

8 We had another public hearing in
9 January where we had even less, period, and then we
10 had another one in February where we had more folks
11 attend. We continued to get in written responses.

12 Forrest Rich, who has helped us as
13 TVA staff on this committee immeasurably,
14 particularly with helping us organize our thoughts
15 for this presentation, compiled a summary of these
16 public written responses. There were 41 of those
17 representing 26 different organizations, and we
18 shared that at our -- one of our Council meetings.
19 You-all received a copy of that, and we're
20 continuing to update that.

21 We met again in March, had two
22 teleconferences in April as we finalized our
23 recommendations, and then the recommendations that
24 you have in front of you were mailed out April 20th.
25 Those were also mailed out to everyone on our

1 mailing list and anyone who had attended any of our
2 meetings and signed their name and address. So we
3 have gotten those out, we think, appropriately to
4 the community, as well as, of course, to all Council
5 members.

6 Since that time we have received
7 seven letters, not necessarily in response to those
8 recommendations. Several of those letters, as a
9 number of you received, had to do with the camper
10 roof campground kinds of issues. And then we met
11 again yesterday.

12 To summarize the public input that we
13 received from the survey, this shows you what the
14 biggest issues were that emerged in that survey. We
15 had -- we asked three questions. We asked, first of
16 all, what do you consider the most pressing public
17 lands issues, and under biggest issues you will see
18 that 75 percent of the comments to this question
19 concerned one of four major things, providing
20 recreation opportunities, maintaining water levels,
21 ensuring water quality, and balancing competing
22 demands.

23 And I will read you just a few of
24 those comments, their actual quotes from written
25 responses. Under providing recreation

1 opportunities, for example, we heard lack of funding
2 and personnel to properly manage the Alabama
3 resources necessarily for recreational use to
4 continue was seen as a major problem.

5 Under maintaining water levels,
6 millions of dollars are lost in the East Tennessee
7 region due to reservoir draw-down in early summer of
8 each year. Under ensuring water quality, somebody
9 told us people are dumping in the river, that was a
10 fairly common complaint that we heard.

11 Under balancing competing demands,
12 one we heard or received in writing was, a balance
13 needs to be made between the development of
14 recreational facilities and preservation of natural
15 lands and habitats.

16 The second question we asked was, how
17 should these issues be addressed. So we asked for
18 some positive feedback. If you have got a problem,
19 you have got an issue, what then do you suggest be
20 done about it.

21 More than 75 percent of the comments
22 to this question concerned the following four
23 things. Supporting recreation opportunities or
24 recreation again there fairly close to the top,
25 maintaining water levels, improving stakeholder

1 relations and communication, and increasing funding
2 and staff.

3 People told us open up more access to
4 four-wheel drive -- more areas to four-wheel drive
5 motorized access. They told us to be more open in
6 facing the lake level issue. TVA needs to continue
7 to work with state agencies and interested
8 stakeholders, like Trout, Unlimited, to continue to
9 improve cold water resources in the Valley and
10 dedicate more budget and staff to conservation and
11 recreation.

12 One of the things we heard a good
13 bit, not only in writing, but in people that came in
14 front of us, was praise for what TVA was
15 accomplishing with the resources that it had
16 available. And we often heard the comment, they are
17 doing much better. They simply don't have enough to
18 do everything that needs to be done.

19 We had a few respondents to the third
20 question. That was, what else should be considered
21 when looking at TVA public lands, and we got sort of
22 a hodgepodge of responses, more focus on recreation,
23 again, right up there at the top, emphasis on
24 exploiting partnerships for improved public lands
25 management, and so forth.

1 Now, for a snapshot of the kind of
2 things we kept in front of us as we talked about is
3 the fact that TVA directs land use on -- activities
4 on 328,000 acres of public lands and 11,000 miles of
5 shoreline. It is charged to manage, administer, and
6 protect TVA lands used by public, commercial, and
7 industrial entities. Currently acquires and
8 disposes of lands and land rights. Operates and
9 maintains recreational facilities.

10 Land use activities and shoreline
11 protection continued, that it is to manage and
12 protect forest, wildlife, wetlands, endangered
13 plants and animals and culture resources, and it
14 supports a network of environmental watershed
15 activities across the Valley.

16 This 328,000 acres can be broken down
17 into 180,000 acres categorized as natural resource
18 conservation, 59,000 under recreation, although,
19 there are other -- in other categories there are
20 also recreational uses. For example, power
21 generation and transmission is land that is also,
22 for example, around various locks and dams and it's
23 also used for recreation. 35,000 acres for power
24 generation. 13,000 for industrial commercial
25 development. Although, that is not all developed,

1 that is the amount of land that's been allocated in
2 land use plans for that purpose. Whether or not it
3 has developed that way yet or not, that's how it is
4 allocated to be used.

5 And then somewhere in the
6 neighborhood of 41,000 acres, this is a figure we
7 were shown last year when we were given the
8 presentation on public lands management that is in
9 the process of being planned under TVA's
10 responsibility to do land use planning.

11 Since that time, I think, two
12 additional plans have actually been improved. One
13 of them, I think, is the Tellico plan that we have
14 copies of today.

15 A lot of these -- this allocation
16 goes back in history, goes way back, some to the
17 very creation of TVA. So these allocations are
18 rooted in a series of historic agreements and
19 arrangements and legal divying up of property.

20 This is something that a lot of
21 people are not -- we weren't aware of -- didn't have
22 a good feel for what the disposal and easement
23 picture looks like with TVA as years go by. So this
24 is a snapshot from 1998 to 2000 the amount of land
25 that was either disposed or encumbered in easements

1 by TVA and how the percentages are for various uses.
2 Only two percent is for residential deed
3 modifications or 60 acres, 7 percent in public
4 recreation and conservation, 11 percent for
5 industrial uses, 25 percent for commercial
6 recreation, and 55 percent in infrastructure
7 construction projects.

8 With regard to shoreline management,
9 the 11,000 miles, 13 percent of that is currently
10 developed residential shoreline, 25 percent is
11 allocated for that use but has not yet been
12 developed residentially, and 62 percent is allocated
13 for non-residential shoreline use, such as resource
14 management, industry, and recreation.

15 I want to make a few comments about
16 our recommendations, and then I am going to
17 apologize again because I am going to do some
18 reading to you in this, and I always hate it when
19 people read a power point presentation to me because
20 I can read too, that's why I have the words up
21 there, but in our subcommittee we -- all of these
22 recommendations are carefully worded. And as I'm
23 sure a lot of you do in your subcommittees, we have
24 debated long and hard the use of certain words and
25 terms. So I want to make sure that I don't

1 summarize and will actually read you the
2 recommendations that you have in front of you.

3 What we will show on these next
4 images is on the left-hand side the actual
5 recommendation and on the right-hand side some of
6 the kinds of information that we considered, sort of
7 grist for our mill as we churned out these
8 recommendations.

9 As we began meeting a little over a
10 year ago as a subcommittee and began to educate
11 ourselves about the immense range of issues and
12 procedures and policies that relate to TVA's
13 management of its public lands, we realized not only
14 was it inappropriate and unnecessary but probably
15 also impossible to actually reexamine all of them.
16 But we did realize that it was crucial to reach a
17 basic notion of the kind of knowledge and principles
18 that should be called into play when addressing any
19 public lands issue. And I like the way Greer talked
20 about forming a base rather than reaching a common
21 denominator but having a base that you then use to
22 make future decisions.

23 So, therefore, what we have for you
24 as recommendations are -- you might even consider
25 them value statements or principles rather than a

1 set of specific policy recommendations. For
2 example, we did not redo the shoreline management
3 initiative. We did not alter any land use plans.
4 We felt that that work was good work. It involved
5 valid public participation and it was not our place
6 to make specific recommendations relative to those
7 issues given that fact, but we proposed a set of
8 recommendations that we think could serve as a basis
9 for more specific decision making should we be
10 called on to give it.

11 They do represent, as Paul mentioned
12 earlier, 100 percent agreement on the part of our
13 subcommittee members. We're definitely not saying
14 that we have learned it all or know it all or if
15 even if we studied these issues ten more years that
16 we'd feel truly adequately informed to make specific
17 recommendations, but having done the work we have
18 done we did want to get a sense from you of whether
19 or not we had headed in the right direction and if
20 there were still further matters that we should
21 address.

22 This first recommendation is in some
23 sense our most important one. There is a logic to
24 the order of the four recommendations, and I think
25 you will see that as we go through.

1 This one is the most basic one, and
2 this goes back to when TVA was created and what the
3 federal government set out to do and the charge that
4 was placed at TVA's feet in creating that piece of
5 legislation, and that is that TVA public lands are a
6 public good, therefore, they should be utilized and
7 managed for long-term benefits as determined by an
8 informed and fully representative public involved in
9 planning and decision-making.

10 We have seven sub points under that
11 public good statement, all of which are consistent
12 with that priority on the notion of public good. We
13 added one yesterday. I will read that one to you.
14 It was the last point. We actually had been in
15 discussion. Okay. Forrest tells me it's on there.
16 We had been in discussion and we finalized the
17 wording yesterday. So, that, you would not have
18 received in your mailing.

19 The first point under that is that we
20 believe that TVA is the appropriate entity to
21 continue management of the public lands under its
22 stewardship. This, again, harkens back to TVA's
23 initial mission when it was created. That water
24 quality should be a No. 1 consideration, that TVA
25 should continue land use plans scheduled and update

1 others on its ten-year cycle, as well as actively
2 manage and implement those plans with appropriate
3 management techniques.

4 We know that somewhere over 85
5 percent of TVA lands are now covered by land use
6 plans, and we support strongly that mechanism for
7 making decisions relative to public lands in those
8 areas that are covered by the plans.

9 Next point is that to contribute to
10 the sustainability of the region TVA should balance
11 multiple benefits, including conservation, economic
12 development, and recreation. A balanced set of
13 recreational experiences should be provided on TVA
14 managed land. We know that there are increasing and
15 changing demands relative to recreation in the
16 Valley. The difficult part, of course, will be
17 balancing those changing and increasing demands in
18 the future.

19 Next point is that TVA manage
20 property currently evaluated as appropriate for
21 industrial development, not asking that new lands be
22 added but for that land that is already allocated
23 for use in industrial development be included in a
24 site selector system and made available for
25 potential use more effectively.

1 And then our final point that we
2 hammered out yesterday is that future industrial,
3 commercial, and residential development of TVA lands
4 should enhance resource conservation by
5 incorporating innovative site planning and design
6 techniques.

7 I am going to go back and mention the
8 kind of information that we considered and that we
9 used in coming up with this main recommendation; and
10 that is, first of all, of course, the TVA Act. The
11 public input that we received, particularly the
12 summary of input from the mailings and the public
13 meetings that I have talked to you about a little
14 bit already.

15 You may recall that we received as
16 Council members a questionnaire in about our second
17 or third month of operation, and those results were
18 tabulated and we consulted those. We asked TVA to
19 compile a summary of customer complaints and issues
20 early on and we reviewed that.

21 We also reviewed the results of a
22 1993 Gallup survey which surveyed not only residents
23 of reservoir counties but actual reservoir users as
24 well, and those were some -- that was some very good
25 information that we used.

1 We also used a shoreline management
2 initiative, Environmental Impact Statement that was
3 completed in 1998. We received a water quality and
4 conservation buffers presentation here last
5 November, and we also reviewed new and updated
6 reservoir land plans like the one that was left on
7 our -- at our places this morning.

8 Another TVA presentation on the
9 management of public lands, we actually asked to
10 receive that presentation again once we added our
11 new subcommittee members and got into work, and then
12 also the National Recreation Lakes Commission Report
13 of June 1999.

14 Our next recommendation, point 2, has
15 to do with funding. And this one says that funding
16 for public land management should not be unduly
17 borne by ratepayers, that additional funding
18 sources, new or enhanced partnerships and creative
19 approaches are critical to the long-term effective
20 management of TVA public land resources and the
21 overall well-being of the region and the nation,
22 that local, state, and other agencies of the federal
23 government, in addition to private associations and
24 entities, should actively assist TVA in finding new
25 findings and in establishing partnerships and

1 developing creative funding approaches.

2 We know some of this is already going
3 on. We think that more of that is going to be
4 called on to help resolve funding issues of
5 management of the public lands in the future.

6 We also believe that legislators of
7 the region should periodically explore the
8 feasibility of resuming federal appropriations at
9 some point in the future for TVA's unique and
10 historic stewardship of the public and public
11 responsibilities.

12 The kind of things that guided us in
13 coming up with that recommendation are, again, the
14 public input that we have received, the kinds of
15 discussions that we have already participated in in
16 past months in the Council, various media coverage
17 as issues arose in all of our local newspapers and
18 other publications about this issue, input from
19 opinion leaders, such as Congress persons and
20 representatives, local representatives and so forth,
21 the TV-PPA presentation of January 2000, Corps of
22 Engineers' presentation, and the National Recreation
23 Lakes Commission Report.

24 Our fourth recommendation -- I'm
25 sorry, our third recommendation has to do with --

1 this one is more succinct, and this one states that
2 decisions made in the future relative to TVA public
3 lands should be guided by scientific research,
4 substantive public input, and the needs of an
5 integrated river management system.

6 And we -- the kinds of information
7 that guided us there had to do with -- comes from
8 the public input that we've received and that we
9 have all received as a Council, various discussions
10 on the part of the Council, GAO Report of 1999,
11 input from the environmental and scientific
12 community, and computer simulation and TVA river
13 operations presentations.

14 Our final recommendation is that TVA
15 should build in the capacity to change, be more
16 accepting of change, and adaptable to the changing
17 environment and needs of communities, particularly
18 as it relates to customer service.

19 Whereas, TVA has made some
20 improvements in its customer responsiveness, and we
21 heard this many times as people came in front of us,
22 they said they had seen a definite improvement in
23 that in recent years, however, continued improvement
24 is warranted and customer interactions relating to
25 implementing shoreline management policies, for

1 example, and working with the public on lake level
2 fluctuations.

3 And the information that guided us
4 there was public input and customer complaints,
5 discussions in the Council meetings, various media
6 reports, the shoreline management initiative of --
7 and the Environmental Impact Statement completed in
8 '98 and new and updated land use plans.

9 Again, I will mention that these
10 recommendations come with full agreement of a rather
11 diverse subcommittee. We would also -- we're
12 also -- I would also like to ask for input at this
13 point from any of my other subcommittee members, and
14 then we will try to clarify any questions you have
15 in anticipation of our later discussion this
16 afternoon.

17 MR. GREER TIDWELL: Ann, I may have
18 missed something, I was curious about, Jimmy
19 mentioned there were three other issues the water
20 quality group intends to address and focus on for
21 specific recommendations.

22 What else is out there for public
23 lands? What are the next issues, if there are any,
24 the public lands subcommittee intends to pick up?

25 MS. ANN COULTER: Well, I think that

1 depends on the reaction of the Council and reaction
2 of TVA. We anticipate that we will have some
3 further discussions. We had one yesterday relative
4 to the letters that we have received just in the
5 last few weeks about the camper roof, campground
6 issue, but without further direction on the part of
7 the Council or TVA, other than that issue which we
8 anticipate discussing further, we don't have any
9 additional issues that we plan at this point to
10 bring you recommendations on.

11 MR. GREER TIDWELL: I have got an
12 issue of sort of a fairly broad scope, but I'm not
13 sure where it belongs in the discussion. It doesn't
14 necessarily lie contrary at all to any of this, but
15 I would like to go ahead and get it on the table and
16 see if it's a good issue for the public lands group
17 to take up, which is the proper management of
18 herbicide application on power line right-of-ways,
19 as well as other practices on power line
20 right-of-ways.

21 That's sort of a far reaching program
22 that TVA has to maintain these power line
23 right-of-ways, which is crucial to get power spread
24 around the Valley, but there's some major issues
25 about how that practice is implemented.

1 It seems to me that that's
2 appropriately addressed in the public lands group.
3 I will put that out there. I'm not sure if that's
4 the right spot to do that, Dave, or not, but I think
5 it is important as we look at this to sort of know
6 what else is up on the agenda for the public lands
7 subcommittee.

8 MS. ANN COULTER: And that's -- if I
9 can speak for the committee, that's not one that's
10 been brought before us. It's not that we failed to
11 address that, no one has brought it to our
12 attention. We haven't gone looking for --

13 MR. GREER TIDWELL: I understand.

14 MS. ANN COULTER: -- more things to
15 deal with.

16 MR. BRUCE SHUPP: Greer, could you be
17 more specific? Are you talking about not only the
18 value based judgments on whether it should be done
19 and where it should be done but also how it should
20 be done, are those all things you would like
21 explored?

22 MR. GREER TIDWELL: Actually first on
23 my agenda would be the how. I'm not coming with the
24 concept of anti-herbicides. I'm just coming with
25 the concept of knowing that I have got two personal

1 acquaintances who had some really extensive damage
2 on their property on the right-of-way that TVA had
3 because of subcontractor's excessive use of
4 herbicides, not proper use of herbicides but
5 excessive use of herbicides.

6 And I think it's something that
7 happens throughout the Valley on a hopefully very
8 irregular basis, but I know that the Authority has
9 legal processes for dealing with that. It's
10 generally fairly defensive in the stories that I
11 have gotten back out of hearing about it. I just
12 think that's a land management issue that this
13 Council might ought to address.

14 MR. BRUCE SHUPP: I think it's a
15 legitimate issue if the committee wants to undertake
16 it.

17 MS. ANN COULTER: I will discuss it
18 with my subcommittee. I would anticipate we would
19 try to address that.

20 MR. DAVE WAHUS: Stephen?

21 DR. STEPHEN SMITH: I would --
22 correct me if I wrong, but I think in the water
23 quality subcommittee this issue came up a little bit
24 about the potential runoff from applications. And
25 then I know our organization has heard numerous

1 occasions from bad experiences associated with the
2 application of herbicides and clearing.

3 And I think it need not be limited
4 only to -- there may be just vegetation management
5 generally on public right-of-ways as a general
6 experience, and I don't know whether this is the
7 right subcommittee to refer it to, but I think it is
8 an issue out there and I think if we -- I know
9 numerous individuals that would be very interested
10 in weighing in on it because they have had bad
11 experiences, it sounds like.

12 MR. DAVE WAHUS: Paul?

13 DR. PAUL TEAGUE: You stated the
14 problem was for -- was from inappropriate use, not
15 that the herbicides themselves were inappropriate,
16 is that correct?

17 MR. GREER TIDWELL: That's my
18 opinion, that herbicides can be used appropriately.

19 DR. PAUL TEAGUE: For us to get
20 involved in an inappropriate use, I'm sure TVA was
21 not for the inappropriate use, I really think that
22 would be nitpicking from our standpoint to say, hey,
23 you people made a mistake, don't do it again, that
24 just doesn't calculate, from my standpoint.

25 MR. DAVE WAHUS: Jimmy?

1 MR. JIMMY BARNETT: As a power
2 distributor we use herbicides on our right-of-ways
3 too, and it's exceedingly efficient from manpower
4 and equipment that's required to do manual trimming,
5 we send our people, and the whole cost of it comes
6 way down and that keeps our rates down.

7 And I would assume TVA is doing all
8 of this for the same reason. In fact, we have had
9 TVA people that have advised, former TVA employees
10 that are retired, and the fellow we use is
11 exceedingly good.

12 It can be inappropriately used. I
13 have some of my people at both places that I have
14 been that, pardon the comment, screwed up. They
15 were appropriately disciplined and retrained, and
16 they never did it again, to my knowledge. I don't
17 know everything that my folks do unfortunately.
18 Sometimes I'm glad.

19 But that is a big issue. I know I
20 have paid various landowners for crops or other
21 damage that has been caused by the inappropriate use
22 in those couple of instances, and it is a valid
23 thing. When you're using chemicals, if you're
24 spraying it when the -- up into the air on the trees
25 and the leaves when the wind is blowing, that is

1 inappropriate, you shouldn't do that because it's
2 going to get out and damage things outside the
3 right-of-way that you don't want damaged and
4 that's -- that's a -- I agree with what Paul was
5 saying, that it can be used appropriately.

6 Maybe a caution, hey, TVA, we've
7 heard there's a problem, let them take care of it,
8 because we do everything we can to train our people
9 to do it appropriately, and if they don't we take
10 whatever action we have to take.

11 I just wanted to make that as a
12 comment, because that is a very good issue, very
13 important issue that we all, as power distributors,
14 work toward. And it's something that I don't want
15 to get into the idea of let's discontinue herbicides
16 because my cost will go up like that immediately.
17 It'll increase employment but you know what that
18 does to costs.

19 MR. DAVE WAHUS: Paul?

20 DR. PAUL TEAGUE: I think Jim
21 answered the question that I was referring to, to do
22 that then you're putting us, as a committee, in the
23 position of micromanagement, and I don't really
24 think that's appropriate. All we would say is,
25 don't do it. I'm sure TVA is saying don't do it,

1 and Jimmy is saying don't do it. So I really
2 don't -- wouldn't think that would be something for
3 our committee.

4 MR. DAVE WAHUS: Greer?

5 MR. GREER TIDWELL: I am rethinking
6 how I brought the issue up, and the essence of my
7 real question was to think about whether the land
8 use subcommittee is the proper committee for
9 addressing TVA's management of its right-of-way
10 lands.

11 There's two instances that I know of
12 where I have really sort of heard a lot of
13 complaints and problems. In one of these situations
14 an imminently reasonable fellow who is a landowner
15 went to TVA two or three times, took them out, took
16 soil samples, proved that the herbicides that they
17 had been using had been applied at, you know, 10 or
18 20 times the rate it was supposed to be applied.
19 TVA's response was unsatisfactory. He went to the
20 news with it because he felt like that was the only
21 outlet for him to get some regress, and now he has a
22 brand new 36 horsepower Kabota tractor, thanks to
23 TVA regressing that issue.

24 And I sort of wish I hadn't brought
25 the herbicide issue up because it's really more a

1 question of stewardship responsibilities in their
2 overall right-of-way management. Herbicides is one
3 of those aspects.

4 MR. DAVE WAHUS: Stephen?

5 DR. STEPHEN SMITH: Yeah. Would it
6 be appropriate to -- again, not necessarily to
7 advocate for micromanaging, but would it be
8 appropriate as issues going forward for the Council
9 to ask the public lands to at least open itself up
10 to have comments and individuals who have concerns
11 bring that to their attention and maybe then report
12 back to the full Council about, you know, a sense of
13 whether this is something that warrants additional
14 consideration.

15 I think there are issues there. It's
16 not just a matter of people screwing up. I think
17 that it's worthy of consideration on how to do it,
18 and, you know, we hear about it quite a bit.

19 MR. DAVE WAHUS: Ann?

20 MS. ANN COULTER: Well, I think if
21 any subcommittee is going to address that issue, it
22 obviously would be public lands. I think this
23 should be addressed and it is for us to begin that
24 addressing.

25 Like everything else, I don't think

1 we can resolve what ought to be done in this
2 conversation, but we have not been able to go very
3 far with any issue until -- we had to get
4 clarification and listen to some other folks and
5 then start peeling away the layers of the onion.

6 We all received the letters on the
7 campground issue, but we don't have a recommendation
8 from you about that today because in our discussion
9 we realized we needed more information. So it may
10 be that we come back with this issue of the
11 herbicide use a matter of more effective management
12 of the existing regulations, it may be more than
13 that. I think we really won't know that until we
14 have a chance to find out more about it.

15 MR. GREER TIDWELL: I really would
16 like to make the issue right-of-way management, not
17 herbicide, that will be one aspect of it,
18 right-of-way management as a public lands --

19 MR. BRUCE SHUPP: I'm sure that TVA
20 has policies -- written policies on right-of-way
21 management and use of herbicides.

22 Kate?

23 DR. KATE JACKSON: I'm not the expert
24 on this, but it is my understanding that there are
25 best management practices that we write into

1 contracts that our contractors use to do that.

2 Now, whether or not we pursue that as
3 aggressively as some stakeholders would like or that
4 they are enforced or not enforced or I would even
5 suggest, there's probably an issue going back to
6 your fourth recommendation of being more open and
7 receptive and inclusive and communicative in the way
8 we work with our stakeholders with respect to the
9 right-of-way. I mean, some of that issue is how
10 that was applied and best management practices and
11 whether they happened or not, and some of it is the
12 reaction that that stakeholder got when he raised
13 that issue with TVA, and those are related obviously
14 but separate issues.

15 MR. BRUCE SHUPP: Paul, I don't think
16 it would be micromanaging if the subcommittee took a
17 look at the existing policies and procedure manuals
18 that TVA has, and maybe there's weaknesses, maybe
19 there's these lapses in communication between
20 contract and the Agency, you know, those are the
21 things you could look for and see areas where you
22 could recommend improvements that would strengthen
23 the process without micromanaging on chemicals,
24 equipment, methods, timing, all that type of thing,
25 I think you could look at the procedures.

1 DR. PAUL TEAGUE: I was about to come
2 back to that point that you made, Bruce, is if the
3 people are unhappy, the shareholders, stockholders
4 whatever you call them, if they were unhappy with
5 the criteria set by TVA, then, yes, I agree that it
6 would be appropriate for us to evaluate. My point
7 was, I don't think I should be in that -- we should
8 be in the position of micromanaging.

9 MR. DAVE WAHUS: Jimmy?

10 MR. JIMMY BARNETT: With Greer's
11 redirection or restatement of his saying
12 right-of-way management, I'm perfectly agreeable
13 with that.

14 MR. DAVE WAHUS: Greer?

15 MR. GREER TIDWELL: I would just say
16 from sort of a government efficiency perspective,
17 part of what I am looking for is -- or what's
18 directing -- or what's pushing me towards this issue
19 is, you know, 70 percent or more of the wild
20 country, the wilderness, the forest lands in the
21 Valley, are owned by private property owners.

22 And to the extent that a broad
23 reaching exposure to TVA's land management practices
24 come through these easements that cross these
25 private forest owners, that's a really good point

1 for leverage to show extraordinarily good practices.

2 And unfortunately, you know, you
3 don't hear about the good practices because they
4 just work and people get electrons delivered to
5 their house sufficiently and they are all happy.

6 The only two experiences I have are
7 experiences where I believe everyone in the room
8 would agree the practices were egregious and TVA's
9 response was also less than what we would expect out
10 of our Authority to their stakeholders.

11 So it's that leverage point to the
12 private landowners by an example of really good
13 management practices that I think we can get out of
14 focusing some energy on this issue of right-of-way
15 practice.

16 MR. DAVE WAHUS: Paul?

17 DR. PAUL TEAGUE: Let me say, if
18 you're trying to get us to say we want pretty
19 flowers in that right-of-way rather than tree stumps
20 but we start our -- we started each of our meetings
21 on the board with a big figure, and Jimmy touched on
22 that, before any of these people made talks we put
23 26 billion dollar debt, go from there.

24 What -- if I am reading this
25 correctly, when you say management, you're talking

1 about us making a flower garden out of a mountain
2 hill. And let Jimmy tell you, the reason farmers
3 use herbicides today, they can't get dollar-a-day
4 labor any more, and it is a cost factor. And I
5 think that's what Jimmy is getting at, it is a cost
6 factor when you -- if you cut down or don't use
7 herbicides, the cost of maintaining those
8 right-of-ways would be astronomical.

9 MR. DAVE WAHUS: Phil?

10 MR. PHIL COMER: I just wanted to say
11 briefly that as an ex-farmer in Grainger County,
12 Tennessee operating a commercial apple orchard and a
13 farm for 25 years with three TVA right-of-ways
14 running through and across and above and below that
15 farm, I was always extraordinarily amazed on the
16 pleasant side with the care TVA used in their
17 applying of herbicides in the right-of-ways.

18 I was always amazed that they went --
19 they were extremely careful, and I can't give you
20 any bad anecdotal reaction. Mine is an anecdotal
21 reaction, which was always, for a period of 25
22 years, very, very favorable, and I was consciously
23 aware of that. And the county ag. executive in that
24 county in discussions we had always was supportive
25 of the same thing, and I didn't hear Greer talk

1 about flower gardens or poppies or growing roses or
2 anything else.

3 I think he's just asking the
4 question, does it belong in the land management
5 committee, and I think it does and I think I hear
6 them saying it does without getting into the
7 micromanagement part. So I think that's -- it does
8 belong and it's worth bringing up. It's a large
9 area.

10 MR. DAVE WAHUS: Ann, did I
11 understand you to say that you will look into it and
12 try to find out a little bit more about it and
13 determine whether the vegetative management of the
14 easements or the right-of-ways rather are an issue
15 that you need to look into further?

16 MS. ANN COULTER: Yes.

17 DR. STEPHEN SMITH: Can we have
18 interested individuals direct information to you and
19 you will follow up on it?

20 MS. ANN COULTER: Uh-huh.

21 MR. DAVE WAHUS: Does anyone have any
22 questions or at this time clarification on the
23 recommendations that Ann gave us here a few minutes
24 ago? Did you want any of the subcommittee members
25 to --

1 MS. ANN COULTER: I would love for
2 any of the subcommittee members who want to add
3 something at this point to speak up.

4 MR. DAVE WAHUS: If you do that,
5 would you please move to the microphone so that the
6 recorder can clearly hear what you have to say?

7 MS. JULIE HARDIN: I just -- I would
8 like to say that, Ann, you have done a fine report
9 in summarizing our work, and this was our chair who
10 really wanted to stop chairing us in January but she
11 stayed on for us, and I think she deserves an extra
12 bit of congratulations.

13 MS. ANN COULTER: They wouldn't let
14 me quit. Thank you, Julie.

15 DR. PAUL TEAGUE: Here, here.

16 MS. MARTY MARINA: I'm Marty Marina,
17 and I'm the Director of Tennessee Conservation
18 League. All right. I think one of the points we
19 have made throughout this process is how much over
20 the last 15 years TVA's land stewardship management
21 dollars have changed from full federal
22 appropriations to less, less, less, and now none.
23 So a lot of things have been changed and
24 partnerships already developed.

25 And as Ann mentioned, we really

1 commend TVA for the things that they have done, but
2 I think it's important, when you talk about the cost
3 of this, to realize the cost has already been
4 dramatically decreased for TVA's share of managing
5 public lands.

6 MR. DAVE WAHUS: Thank you. For the
7 members of the public, we're intentionally not
8 deliberating these recommendations at this time
9 until after the public has had an opportunity to
10 provide comments at 1:00, and that's why we're just
11 asking for -- if anyone has questions or
12 clarifications as to what Ann provided.

13 Does any other subcommittee members
14 or Council members care to comment?

15 Bruce.

16 MR. BRUCE SHUPP: Thank you.
17 Wonderful job. Thank you very much, Ann. We're
18 going to move into the afternoon agenda, so we're
19 looking toward early adjournment.

20 Gary Mauldin from TVA river
21 operations is going to talk to us this morning about
22 the current status of the reservoir system and
23 the -- apparently the possibility that you may not
24 achieve full levels this year.

25 Is that right, Gary?

1 MR. GARY MAULDIN: That's exactly
2 right.

3 MR. DAVE WAHUS: Okay.

4 MR. GARY MAULDIN: Well, it's that
5 time of year when we do start to think about getting
6 outside and playing a little bit. So we hope that a
7 lot of folks, when they go outside to play, think
8 about playing on TVA reservoirs.

9 I do want to talk about the current
10 state of the reservoir system. So I have got a lot
11 of charts and graphs for you, like any good engineer
12 should provide to you. Also, like any good
13 engineer, I like to look at the back of the book and
14 get the answer before I start working the problem.

15 So let me start with a brief
16 overview, a good picture of where we are. This is
17 not a great picture. Let me see. It's getting
18 worse, not better.

19 Anyway, what we're trying to depict
20 here is what the status of reservoirs are throughout
21 the eastern part of the Valley. I have not shown
22 most of the main river system because most of the
23 main river system reservoirs are at their current
24 minimum summer level, which is where they're
25 supposed to be.

1 What you see here is just a brief
2 picture of the tributary systems. South Holston and
3 Watauga, I don't know if you can tell, they're
4 colored in yellow. Norris is also colored in
5 yellow. What that means is they are currently
6 within their operating guide, but given the amount
7 of rainfall we expect to have and the amount of
8 stream flow that we have measured, it is quite iffy
9 as to whether they will make their minimum summer
10 pool.

11 Blue Ridge towards the bottom is the
12 only one in green. Green means it is currently
13 within its operating guide. Based on our
14 projections of rainfall and stream flow, we think it
15 will be at its minimum summer pool on June 4th. All
16 of the rest of these are red, which means they are
17 below their current operating guide, and chances are
18 they will not make it to their minimum summer pool.
19 So that's kind of the answer from the back of the
20 book.

21 Let me go a little bit into why that
22 is. For the last three years we have had a lot of
23 dry weather. This dry spell goes back to 1998.
24 What this graph shows you is that we're about
25 33 inches below -- a little over 33 inches actually

1 behind in rainfall cumulatively over the last three
2 years.

3 What is more important to us for
4 managing the reservoir system is runoff. Runoff,
5 we're about 60 percent of normal of where we should
6 be. That's the 11th lowest in over 125 years that
7 we have measured runoff in the Valley.

8 The reason why we specifically
9 focused this particular slide on -- above
10 Chattanooga, that's where the water comes from
11 that's going to fill the tributary reservoirs.
12 Okay?

13 MR. GREER TIDWELL: Gary?

14 MR. GARY MAULDIN: Yes.

15 MR. GREER TIDWELL: I don't want
16 to -- this is not at all to dispute that we're
17 running low on water, but when you say normal you
18 really mean average, I'm enough of an engineer to
19 try to keep that distinction clear in my own mind,
20 or do you mean the bottom of the norm over 100 and
21 whatever years you said we have got records?

22 MR. GARY MAULDIN: Average rainfall.

23 MR. GREER TIDWELL: Thanks.

24 MR. GARY MAULDIN: We have curves
25 like this for every reservoir, and this is a

1 cumulative curve. It shows how we draw down the
2 reservoirs in the wintertime. You will see that the
3 level on here shows it fairly low in the winter,
4 then we ramp up in the summer, then we start to come
5 back down in August.

6 There are two things really that
7 derive how much water we have in any given
8 reservoir. One is how we operate the system. Okay?
9 The other is how much rainfall we get.

10 As far as how we operate the system
11 itself, beginning on -- in mid March what we do
12 is -- especially in dry water years, we will, in
13 essence, cut back on stream flow out of that
14 reservoir system to just what is required to support
15 minimum flows, and all of the inflow over and above
16 that that we get then is allowed to bring the water
17 levels up.

18 Our target is to try to get to where
19 we're supposed to be in the tributaries on June 1st.
20 Ideally that's when we reach our minimum summer
21 pool. We really prefer to be there for Memorial Day
22 weekend for obvious reasons, but our target date is
23 June 1st.

24 What you will see on here is that in
25 the January, February time frame, if you look at

1 that blue line on there, we have got some spikes in
2 rainfall. We were looking pretty good and we were
3 thinking finally maybe this thing is over and we're
4 going to be where we need to be. Unfortunately, we
5 have gotten worse since that time. So you will see
6 that the blue line comes up, it's already dropped
7 below into the minimum zone, and our projection,
8 which is the little short red part, projects down
9 even further.

10 So we've talked a little bit about
11 rain and we have talked a little bit about how we
12 operate the system. So what can we do? I guess
13 pray for rain. Unfortunately, the praying for rain
14 is getting a little bit late as well.

15 What I would like to demonstrate with
16 this particular curve here or set of curves is how
17 rainfall and runoff correlate to each other. As I
18 said before, runoff is really what we need to fill
19 the reservoirs. Rainfall doesn't necessarily do it
20 for us.

21 This attempts to depict that. You
22 can see that rainfall, which is the top blue line on
23 this graph, it continues to go up cumulative
24 rainfall throughout the year. You can also see that
25 runoff, which is the extended black line on there,

1 starts to taper off about June. Basically what that
2 means is once we get to early June, rain helps you
3 less because runoff is less. Leaves on trees,
4 ground is dryer, all of those things contribute to
5 less runoff. So really we're in a situation now
6 where rain is not likely to help us just a huge
7 amount.

8 The good news though is we don't need
9 a lot of rain in order to make a big impact,
10 especially if we can get it in the next couple of
11 weeks. Some of these reservoirs that I mentioned
12 before are right on the cusp, a little rain would go
13 a long way.

14 So I guess to get back to the summary
15 of where we were, we're very dry. The tributary
16 reservoir system generally will not make their
17 minimum summer pools this year. That means several
18 things. You know, what's the impact of that?

19 I always tell folks I'll look like a
20 lot better manager when we get a little bit of water
21 because I have got a lot of flexibility in what I
22 do. For instance, we can fluctuate the reservoir
23 system to help control mosquitos. When I have very
24 little water, I lose some of that flexibility. The
25 same thing is true with aquatic vegetation. One of

1 the ways -- probably the most effective way we can
2 control that is by fluctuating the reservoir system.
3 As water gets short, I have problems doing that.
4 I hope all of you understand that we
5 provide minimum flows in order to support water
6 quality and aquatic health. We do that. If that
7 means we can't generate power, if that means that we
8 can't maintain reservoir levels, then that's just
9 the way it is. So as far as providing those minimum
10 flows, we're going to continue to do that.

11 The downside in an extremely dry
12 year, if this keeps on and on and on like this, and
13 we all hope that it doesn't, the minimum flows that
14 we established are really -- they're based on
15 short-term. They weren't ever designed -- you know,
16 when we established these things, they were not
17 designed to be the constant flow that we always
18 provided month after month after month. And already
19 on sections of the Hiwassee River we're looking at
20 having to provide additional minimum flows this
21 year. So we're always looking at that, seeing where
22 we need to go.

23 And I know I am not giving a lot of
24 goods news, but the point I am trying to make is we
25 have a lot of pressure on having water and we just

1 don't have a whole lot of water.

2 And that concludes my presentation.

3 I would be glad to entertain any questions.

4 MR. BILL FORSYTH: Gary, I would just
5 like to say that those of us who seem to harp on
6 lake levels a lot do understand you need water
7 first.

8 MR. GARY MAULDIN: Thank you.

9 MR. PHIL COMER: We really do, even
10 L.O.U.D.

11 MR. BRUCE SHUPP: Any other
12 questions?

13 Gary, thank you very much. We are
14 going to move ahead into more of the afternoon
15 agenda. Wayne Gildroy is here from -- he's the
16 Assistant General Counsel to TVA talking about the
17 deregulation overview on what the future portends
18 for that.

19 MR. WAYNE GILDROY: Good morning.
20 It's a pleasure to be here today to talk to you
21 about the changes in the electric power industry in
22 terms of regulatory framework in which utility
23 companies and about other suppliers provide energy
24 that we use every day.

25 I'm focusing today on two terms,

1 structuring and deregulation. The reason why those
2 two terms are used is because they mean something
3 slightly different, depending upon which part of the
4 electric power marketplace you're talking about.

5 Now, when I talk about these two
6 terms today, this is the background or the basis.
7 Restructuring is a terminology that talks about the
8 wholesale power markets. That's like when TVA sells
9 power to Knoxville's utility board, and that power
10 will then be sold by the purchaser to the end users,
11 all of us and the businesses and industries in our
12 region.

13 Wholesale power markets are largely
14 regulated at the federal level. So the main players
15 are Congress, Federal Energy Regulatory Commission,
16 and the Department of Energy. As a matter of fact,
17 in the Bush Administration's National Energy Policy
18 that was just released yesterday, restructuring
19 legislation on a comprehensive basis nationwide is
20 one of the proposals or recommendations.

21 Deregulation, which is the term that
22 more people are familiar with, is now largely
23 referring to what we call the retail power markets,
24 and that in my examples are like KUB sells power to
25 us here in the Knoxville area. That has been

1 primarily a state issue. It's left to individual
2 states to determine what's best for their own home
3 states. So the principal players are state
4 legislators and state public utility commissions.

5 Okay. What's been happening and
6 where are we now?

7 Really the question is competition,
8 giving customers, via wholesale or via retail, a
9 choice in terms of your energy supplier, and this
10 really started to happen in earnest with the
11 enactment of the Energy Policy Act of 1982.

12 What happened there was that
13 basically Congress said utility systems that own
14 these vast transmission lines that were primarily
15 dedicated to accommodate their sales to their
16 customers now had to be basically turned into like
17 public highways, for lack of a better term.

18 So what happened then is that started
19 happening all over the country, but there's one
20 exception, and that's this region that we live in,
21 the Tennessee Valley Region.

22 Well, why is that the case?

23 It's because since 1959 TVA has had a
24 geographic restriction on where its power can be
25 sold, with the exception of 12 -- now currently 12

1 of the utility companies. So it was a very limited
2 market. If the competition came in fully within the
3 Valley, there was practical problems about being
4 able to resale that electricity.

5 And the concern was that other
6 suppliers would come in and, quote, cherry pick the
7 highly desirable loads and force more the fixed cost
8 on TVA's remaining customers, and therefore, causing
9 electric rates to go up.

10 So what Congress did, they said
11 because of the Fence, they enacted what's called the
12 Anti-Cherry Picking Provision, which says that TVA
13 cannot be compelled to allow its transmission lines
14 to be used by another supplier to sell power here in
15 the Valley. Now, we do -- are required to let them
16 use it to cross our system and out of our system but
17 not in, and that's the current law.

18 The next real thing that happened in
19 1996 in the time line. FERC ordered No. 888, which
20 implemented this, really when it was unveiled, and
21 this wholesale competition started happening at an
22 increasing level in other parts of the country.

23 At the same time deregulation became
24 watched at the state level in the electric power
25 industry. California, New Hampshire, Rhode Island,

1 and Pennsylvania all enacted deregulation
2 legislation that year.

3 What that meant was that big utility
4 companies that currently had had monopolies now had
5 to start giving their customers choices and allowing
6 their distribution lines and transmission lines to
7 allow individuals, like you and me, to buy from
8 other people.

9 At the same time Congress, going back
10 to Congress, the Shaffer Bill, Congressmen Shaffer
11 of Colorado proposed a federally required
12 deregulation. Basically what he proposed is that
13 deregulation should not happen on a state-by-state
14 level. It should be a federal mandate and that
15 every citizen should have the same rights.

16 Well, two years sort of went by, and
17 then in the 1999, 2000 time frame the Clinton
18 Administration proposed national restructuring
19 legislation. Congress basically backed away from
20 this notion. Political pressures were such that
21 Congress decided to leave it to the individual
22 states, what they would do and how they would do it.

23 At the same time TVA, as a result of
24 an ongoing collaborative process, reached a
25 consensus with our customers, TVA Title for this

1 national restructuring legislation. Just briefly
2 what that Title does is it would, notwithstanding
3 the current requirements under their contracts to
4 buy all of their power from us, this would have
5 allowed them to either take part of their power from
6 someone else upon certain notice or to terminate
7 their contracts on three years' notice, basically
8 giving them more, you know, opportunities for
9 choice.

10 At the same time the Fence would be
11 modified slightly to allow us to take the power that
12 we were no longer selling to those distributors that
13 made those decisions to other new wholesale markets.
14 It'd give us a better opportunity to basically get
15 the best price for that and avoid any extraneous
16 costs. Of course, the Cherry Picking Provision
17 would no longer be necessary. That would be
18 repealed. And near the end of this time frame,
19 after all of that is going on, then problems start
20 to come to deregulated California.

21 So where are we now, this 2001?

22 Well, that's May, and national
23 restructuring legislation has not yet been
24 introduced, but as I mentioned earlier in the
25 National Energy Policy that the Bush Administration

1 announced yesterday, one of the recommendations is
2 that the Department of Energy be tasked to develop
3 on these bills. Now, there are bills from last
4 Congress, and it remains to be seen whether they
5 will use those as a model or whether they will start
6 with something completely new.

7 The general prognosis though is
8 because of California enactment by this Congress,
9 this two-year period, is considered to be less
10 likely because of what's going on in California, and
11 that's not necessarily because what's happening in
12 California is directly involved with what
13 restructuring legislation should be but that there
14 is a natural hesitancy now of Congress to try to go
15 and do something until there's a better
16 understanding on what's happening in California and
17 how those kind of mistakes can be avoided.

18 Congress' focus instead is on the
19 Bush Administration's proposed National Energy
20 Policy and regional impacts caused by the California
21 situation. There is a bill that was reported from
22 the House Energy & Commerce subcommittee that
23 attempts to do some small remedial things to help
24 California out, and that's where the focus is.

25 Now, of course, legislation has been

1 and will continue to be introduced to deal with
2 individual issues associated with this, including
3 TVA, but we feel that the best approach is to
4 basically adhere to the consensus agreement and to
5 basically have that be part of a comprehensive
6 approach that will allow the policies to all be
7 developed in a consistent and clear manner.

8 Okay. Deregulation, what's happening
9 there?

10 As of today 24 states, plus the
11 District of Columbia, have adopted deregulation or
12 are in various stages of implementing that. Of the
13 Tennessee Valley Region, the Common Wealth of
14 Virginia is the only one of the seven valley states
15 that has adopted deregulation.

16 Well, because of the California Bill
17 Nevada recently passed legislation to try to undo
18 deregulation. And I think the Nevada Governor and
19 the Nevada State Legislation would say they did
20 that. I use try because there's been a fly in the
21 ointment on that; and that is, under a lot of
22 deregulation proposals, the utilities, which are --
23 have generation, transmission, distribution, are all
24 consolidated together. A lot of those utilities
25 have been forced to sell off their generation

1 assets. It's called asset divestiture. The theory
2 is that you need to put the generation out there in
3 a highly competitive market as opposed to
4 controlling both because that would give you a --
5 yes, sir.

6 DR. PAUL TEAGUE: Excuse me for
7 interrupting, but I need to understand something.

8 MR. WAYNE GILDROY: Sure.

9 DR. PAUL TEAGUE: When you say
10 deregulation, now, is it not true, California only
11 partially deregulated? In other words, they
12 deregulated what the price of the power could be --

13 MR. WAYNE GILDROY: Excellent point.

14 DR. PAUL TEAGUE: -- but did not
15 deregulate how high it could go. So please clarify
16 that. When we're talking about deregulation, is it
17 real deregulation? Are you talking about really
18 deregulating both ends and not like California did
19 it? Because that was where the mess up was
20 apparently is they turned bottom end loose and
21 didn't turn the top end loose.

22 MR. WAYNE GILDROY: Basically you're
23 absolutely right, and what it is is that this is a
24 strange shift between the national wholesale, which
25 is where a lot of those high prices were coming

1 from, which is unregulated, it's whatever the market
2 bears, and what California's approach to
3 deregulation was, which was to give customers a
4 choice, and as I will get to a little bit later, but
5 at frozen rates. And what really got the utilities,
6 you know, in a bind out there is they were buying
7 power for \$200 a megawatt hour and selling it at 60.

8 Yes, sir.

9 DR. PAUL TEAGUE: Well, in your
10 deregulation -- these 24 states is that -- is that
11 deregulation like California or is that really true
12 deregulation?

13 MR. WAYNE GILDROY: There's a lot of
14 variety. Some of them -- nobody is exactly like
15 California because every state has got its own
16 approach, but in most states what they have done is
17 frozen or capped what you and I would pay from the
18 supplier. Okay? But basically because it's
19 federal, what goes on in the wholesale market places
20 the states can't do anything about, and that's one
21 of the things that restructuring legislation at the
22 Federal level is trying to address, on how those two
23 pieces don't fit together.

24 DR. PAUL TEAGUE: They don't fit at
25 all.

1 MR. GREER TIDWELL: That's
2 California. We'll see what happens in Texas and
3 Pennsylvania where -- if they have got a better idea
4 or not, but that remains to be seen.

5 What they count on is that there's
6 enough generation, new -- generation assets built so
7 that supply actually exceeds demand, is the theory,
8 and then they will -- the competition will drive
9 rates down, but what's happened is that, of course,
10 these things are being implemented before the new
11 plants are on the ground. So you don't have supply
12 and demand get out of whack at a state level, and
13 these are part of the problems about having federal
14 and state doing different things, you're exactly
15 right.

16 The problem in Nevada was that they
17 basically compelled their utilities there to sell
18 off their generation assets, and they passed this
19 law sort of in the -- what they thought was the
20 eleventh hour, but what's happened is under the
21 state law before they repealed it was that all the
22 contracts to sell these generating plants had
23 already been approved, signed and approved by the
24 State Public Service Commission.

25 And one of those signatories, a major

1 independent power producer that's basically got a
2 contract that says they're entitled to a plant is
3 calling foul. They've said, you can do whatever you
4 want to do, but I have got a binding contract and
5 you're impairing my contract and they intend to sue.
6 So that's why I use the word try. It's sort like a
7 humpty-dumpty effect, once you basically break up
8 these utilities, it's very hard to try to put them
9 back together again, it's very difficult, and Nevada
10 will be a test case.

11 DR. PAUL TEAGUE: Did none of these
12 states take Economics 101?

13 MR. WAYNE GILDROY: For some of the
14 states the jury's out, I think. Hopefully they did.
15 California didn't, that's clear.

16 And basically a number of states have
17 delayed their implementation schedules, put things
18 on hold to the extent they can where there's not
19 statutory deadlines. Some states, including
20 Virginia, have adopted some changes to postpone
21 things for a year, and quite frankly, we don't see
22 any more states likely to adopt in the near term
23 until basically everybody figures out what exactly
24 is happening in this area.

25 Speaking of California, here's a

1 little more information on how they got into their
2 situation. You have probably seen some of this in
3 news accounts. The problem is that during the '90s
4 the electric power demand in California increased to
5 11.3 percent, and most of that was in 1996 and
6 afterwards because of the economic downturn in the
7 early '90s. Right about the time that the
8 deregulation legislation passed in California,
9 growth started spiking. During that same time
10 period the electric generating capacity in the state
11 actually decreased by 1.7 percent.

12 Well, how can that be?

13 Well, there was not much plant
14 construction going on at all for a variety of
15 reasons, and also California's power plant fleet is
16 extremely old. The average age right now is 36
17 years old, which in a state as massive as
18 California, that's a lot of old infrastructure and a
19 lot of that was just basically falling out of use.

20 Now, under the California
21 Deregulation Statute, I mentioned earlier, the
22 incumbent IOU's were required to sell all their
23 generation, well, not all. They had to keep their
24 nuclear, which turned out to be not so bad, at the
25 time they thought it was bad, but it wasn't, and

1 their hydro, but all their natural gas and all their
2 oil, and I think there was a little bit of coal
3 there, they basically had to sell.

4 The new owners -- okay. Remember,
5 under this old system, if I'm Pacific Gas & Electric
6 and I build a plant, that power goes to my
7 customers. Okay? The Public Service Commission
8 says, you can build that plant to meet the needs of
9 your customers. The new owners weren't required to
10 even sell power in California and haven't been.

11 It's been going to Arizona, Nevada, Oregon, wherever
12 the market is best, because that's that wholesale
13 marketplace now. They are not buying to sell to
14 retail customers. They are buying to sell other
15 utilities and other people. So that power has
16 started heading out.

17 At the same time the incumbent IOU's
18 weren't permitted to enter into long-term
19 commitments to replace it. They still had the
20 obligation to serve their people, the customers, but
21 they had to buy it very short-term on the spot
22 market, through this public power exchange. So the
23 prices -- they became exposed to all the prices
24 based upon whether it's July, March, the plants are
25 out or anything else. Then they can only sell it to

1 the equivalence of you and me at frozen rates, and
2 that's -- this is what caused one bankruptcy and
3 maybe a second. Because of this, to give you an
4 idea, TVA's peak capacity requirements of 30,000
5 megawatts, that's for everything.

6 California is currently relying on
7 11,000 megawatts of out-of-state capacity just to
8 keep the lights, just to keep the lights on. The
9 problem happened in the northwest that nobody really
10 can take into account, and that's -- they have
11 really kind of low drought conditions and stuff and
12 there's -- the hydropower production is really down.

13 Now, the hydropower stays up there,
14 but what happens is that the Pacific Northwest,
15 because of their abundance of hydropower, they also
16 have coal and nuclear and other things up there as
17 well, that power was then available to sell on the
18 market, and basically 3,000 megawatts of that that
19 would normally be available to California had to
20 stay up there to keep their lights on. So that's
21 happened.

22 So in terms of a near term solution,
23 currently less than 5,000 megawatts of new capacity
24 are scheduled to come on-line in the state by 2004.
25 So it's quite a dilemma in California. I think most

1 people say it's not going to fix itself very
2 quickly. I mean, this is basically two, three, four
3 years before they can probably change this thing
4 around.

5 Now, there isn't a lot of new
6 accelerated construction going on there, but it
7 remains to be seen if they can get the supply back
8 up to the demand because of the economic growth
9 since, you know, the latter part of the 1990's, it's
10 just a real problem.

11 If there are any questions, I'd be
12 happy to respond.

13 MS. MILES MENNELL: Would you take a
14 few minutes, please, and just comment on the Bunning
15 legislation that's been --

16 MR. WAYNE GILDROY: Senator Bunning
17 and Senator McConnell have jointly introduced a
18 piece of legislation in the Senate. Basically what
19 it would do would basically give distributors the
20 right to acquire from other sources power to meet
21 their growth, and secondly, it would basically make
22 TVA the same as an investment owned utility for the
23 purposes of FERC regulation of power contractual
24 matters.

25 DR. PAUL TEAGUE: What effect will it

1 have on TVA, either you or Kate, when total
2 deregulation is effected?

3 MR. WAYNE GILDROY: If total
4 deregulation were effected, basically a lot would
5 depend on what Congress decided what our future role
6 should be, and there's a variety of scenarios that
7 they would come up with.

8 If they followed, you know,
9 deregulation models in some approaches, basically we
10 would be required to basically either divest
11 ourselves of our generating capacity or remain
12 basically a transmission service provider.
13 Basically the vertical integration above the
14 distributor level would basically be split in half.

15 In terms of deregulation, of course,
16 that would mean then the distributors here currently
17 which have monopolies in their service territories
18 would then be obligated to make that -- make their
19 systems open to other suppliers and basically
20 some -- you know, there would be different
21 approaches depending upon co-ops, what approaches
22 they might take and depending on what states would
23 make a difference.

24 Basically it's going to depend --
25 California tried it, you saw what happened, it

1 didn't work there. Pennsylvania and Texas are sort
2 of next on the radar screen. Watch New York this
3 summer. You have those kinds of effects if
4 deregulation is done -- not done right, and the
5 issue right now is people are struggling to find out
6 if there's a right way to do it, quite honestly. I
7 mean, the jury is out. The problem is electricity
8 doesn't store. Natural gas sort of works because it
9 can be stored, and trucking, airlines can work, but
10 it remains to be seen.

11 MR. BRUCE SHUPP: Any more questions?

12 MR. PHIL COMER: I just wanted to say
13 personally your explanation is the best one that I
14 have seen so far. I really appreciate that very
15 much. You have clarified a lot for me.

16 MR. WAYNE GILDROY: Thank you.

17 MR. BRUCE SHUPP: Thank you, Wayne.
18 Appreciate it. It's 11:30. We can still move into
19 the afternoon agenda even further. We have Randy
20 Trusley, TVA Vice President and Controller to talk
21 about the federal financing bank refinancing
22 legislation.

23 Randy?

24 MR. RANDY TRUSLEY: Thank you.
25 Wayne, you're not going to leave, right?

1 MR. WAYNE GILDROY: No, I'm here.

2 MR. RANDY TRUSLEY: Okay. Good.

3 Don't go far from your lawyer when you're talking
4 about legislation.

5 I just appreciate the opportunity to
6 talk with you-all. I know you have done a lot of
7 hard work over the past several months, and TVA
8 appreciates that and we look forward to some of the
9 outcomes that you-all are going to produce.

10 Kate asked me to talk about the FFB
11 refinancing of debt. And that was a public law that
12 was enacted on October 21st, 1998, and they gave TVA
13 the right to refinance 3.2 billion dollars of debt
14 that was held by the Federal Financing Bank at an
15 interest rate that was a lot higher than what we
16 could get on the public market. So legislation said
17 you can go do that. The interest savings by law are
18 to pay down the debt, that's specifically stated in
19 that law. And to date we have had about 250 billion
20 dollars of interest savings off of that particular
21 3.2 billion dollars.

22 TVA's debt reduction efforts by the
23 end of this fiscal year will end up being about 1.1
24 billion dollars. We're almost a billion dollars or
25 about down 100 -- about 900 million to that right

1 now. So that's where we are with that savings,
2 that's where we're headed with our interest in
3 reducing our debt, and I guess I would like to open
4 it up to questions to you-all if you have anything
5 related to the FFB refinancing.

6 Yes, sir.

7 MR. JIMMY BARNETT: It's my
8 understanding that --

9 MR. DAVE WAHUS: Would you speak into
10 the mic?

11 MR. JIMMY BARNETT: It's my
12 understanding that the original debt was set up so
13 that you-all couldn't arbitrarily go out and
14 refinance it without them giving their approval.

15 MR. RANDY TRUSLEY: That's correct.

16 MR. JIMMY BARNETT: And they didn't
17 give the approval, again my understanding, because
18 that would reduce some monies to them.

19 MR. RANDY TRUSLEY: That's correct,
20 that would have reduced their revenue at the Federal
21 Financing Bank.

22 MR. JIMMY BARNETT: Banks treat me
23 the same way.

24 MR. RANDY TRUSLEY: I wish they
25 would. That's why I took regulation.

1 Any other questions?

2 MR. DAVE WAHUS: Kate?

3 DR. KATE JACKSON: I think the reason
4 that we wanted to have Randy come and talk just for
5 a minute about the FFB refinancing is there is a
6 perception that is very strongly held that the FFB
7 refinancing was allowed or there were proponents of
8 it in Congress sort of as a trade-off, okay, you
9 won't get appropriations but you will get FFB
10 refinancing and you'll be able to utilize those
11 dollars to go ahead and fund what used to be funded
12 by appropriations, and this was just an opportunity
13 for us to make sure that even though that perception
14 exists and many people have said that, the law is
15 not drafted that way.

16 MR. BRUCE SHUPP: Thank you.

17 MR. PHIL COMER: I am one of those
18 people who was under that impression, Kate, that
19 somehow -- maybe it wasn't, you know, literally a
20 legal thing but that it was a political agreement
21 that Frist and Thompson used in finally obtaining
22 that. It certainly was a funny coincidence if there
23 is no connection at all.

24 DR. KATE JACKSON: I can't speak to
25 that. I can only speak to the law.

1 MR. PHIL COMER: But it really is not
2 part of the law?

3 DR. KATE JACKSON: No. I mean, the
4 law states specifically what Randy just said, which
5 is we're required to utilize all of that savings to
6 repay the debt.

7 MR. PHIL COMER: And did not tie in
8 specifically with the other?

9 DR. KATE JACKSON: It specifically
10 did not tie it in.

11 MR. DAVE WAHUS: W. C.?

12 MR. W. C. NELSON: I just have one
13 question for you Wayne -- excuse me, Randy, the
14 savings in the interest I understand is to pay down
15 the debt, but what about the interest on the amount
16 that you have paid on the debt that you would not
17 have been able to do? TVA apparently is getting to
18 keep that.

19 MR. RANDY TRUSLEY: Well, the savings
20 that we're having there we are using to pay down --
21 further pay down debt. I mean, as that snowballs,
22 that's part of the debt snowball that we're trying
23 to work on to pay down the debt. So, yes, we've
24 saved in interest, and with that savings in
25 interest, we're continuing to pay down debt.

1 MR. W. C. NELSON: What I'm referring
2 to is the 1.1 billion, that you're paying interest
3 on that amount, is that then left for TVA or is that
4 also going to pay down the debt?

5 MR. RANDY TRUSLEY: That's going to
6 pay down debt.

7 MR. W. C. NELSON: So you're making
8 the same payment as if the interest rate hadn't
9 changed?

10 MR. RANDY TRUSLEY: In paying down
11 debt, yes. I mean, we're trying to build that
12 snowball of debt pay down, and in order -- we're
13 behind where we originally wanted to be, but
14 we're -- still we're marching on. That is our
15 objective, to pay down our debt.

16 MR. BRUCE SHUPP: Anything else?
17 Thank you.

18 DR. PAUL TEAGUE: I was like Phil, it
19 was my understanding, and if it's not law or not
20 written, was it a verbal agreement and it was
21 something to do associated with the Chairman saying,
22 we won't ask for more money if you will do that. I
23 mean, I am not asking Kate this question. I'm
24 asking the Council, does anybody know whether that's
25 true or not, because any -- the people I know that

1 have approached our political leaders say, you can
2 forget financing because of this promise. Am I
3 misinformed or is that correct? I'm asking people,
4 anybody that knows.

5 MR. BRUCE SHUPP: Miles and Steve.

6 MS. MILES MENNELL: I think when it
7 was -- when the financing -- refinancing took place
8 there was the conception in the community that the
9 plus or minus 100 million dollars a year, is that
10 was, Stephen, that was going to be saved each year
11 would replace the revenues that TVA traditionally
12 had gotten in federal appropriations for its
13 non-power programs and stewardship activities, and I
14 think that's what's so telling about Wayne's
15 comments is the law does specifically say that those
16 monies must go to paying down the debt but the
17 conception was out there in the public that since
18 TVA was getting that money to pay down the debt and
19 they were not getting the federal appropriation,
20 then that 100 million dollars could be used, I think
21 the bottom line is that was wishful thinking, but it
22 certainly enjoyed a lot of popularity among the
23 public.

24 DR. STEPHEN SMITH: I don't know
25 exactly, and I would -- it would be interesting to

1 go back and circle back around and see -- I mean, we
2 saved a lot of the clips and I know TVA has a lot of
3 the clips. I think it was more than just, you know,
4 popular belief. I mean, I think there was actually
5 statements made in proximity to this that really led
6 people to believe that was the case.

7 I mean, it was clearly our
8 understanding because there were fairly dramatic
9 opposition to -- I'm sorry, I was out, didn't get to
10 hear, but just sort of my recollection of this,
11 there was dramatic opposition by a number of very
12 powerful forces in Washington for this not to
13 happen.

14 I have sort of joked with reporters
15 before that if it wasn't for Monica Lewinsky this
16 probably wouldn't have happened because basically
17 what happened was it has allowed the backlog to
18 where they did that deal in a room where you had,
19 you know, the political leaders that cut that deal,
20 and I think, you know, for TVA's sake the Vice
21 President had a heavy hand in it and I think the
22 deal was cut.

23 I think Frist and Thompson, it seems
24 to me, were very clear about sort of what the
25 intentions were here, now, whether it was actually

1 written in the law, and I know some of the people on
2 TVA watch and some of the folks, you know, that were
3 talking about this being a billion dollar subsidy to
4 TVA, I think one of the reasons they sort of
5 swallowed hard was because, you know, the program
6 zeroed out.

7 So I don't know exactly how it is,
8 but there certainly was the indication that it was
9 out there. I don't think it was just something
10 people dreamed up. There was a certain illusion to
11 the fact that this was going to take place.

12 MR. BRUCE SHUPP: Lee, then Kate.

13 MR. LEE BAKER: Yeah, I don't think
14 there was any question there was the illusion. Of
15 course, this is not the first time one would see a
16 bait and switch. I asked staff members that very
17 same question whether or not that was part of
18 trade-off.

19 Nobody really knows what was agreed
20 upon in the back rooms. The staff members of those
21 two Senators indicated to me that it was not part of
22 the trade-off, but certainly there were other
23 signals that suggested it was. Nobody really knows,
24 and it depends on what your viewpoint is what you
25 like. But the law says it could not be used that

1 way, and that's fairly clear, but it certainly was a
2 bait and switch or a misconception.

3 DR. KATE JACKSON: Well, I think that
4 there is an assumption in everyone's minds that if
5 you can pass legislation that enables TVA to be more
6 financially whole and more financially
7 self-sufficient and to manage its financial affairs
8 more effectively and in a more business like way
9 that allows us greater flexibility to fund these
10 things that were formally funded by appropriations.

11 I guess from my perspective, as the
12 person that's responsible on getting the budget for
13 it every year, reliance on that legislation of FFB
14 refinancing and the interest allowable, that savings
15 cost, we need to take care with that because we
16 could have repaid that FFB money 2005, 6. I mean,
17 this savings, this opportunity for savings ends.
18 The stewardship responsibility and the need for
19 resources to be applied to those stewardship
20 opportunities is not going to end in 2005. So this
21 argument is going to go away pretty soon anyway.

22 MR. BRUCE SHUPP: Any other comments?
23 Okay. Thank you.

24 MR. LEE BAKER: I would like -- not
25 for the financial, it was burning on me just a

1 little bit relative to the deregulation, and I just
2 wanted to make the Council aware that it's -- and it
3 was there but it really is an issue, it's not only
4 generation that can create the pinch points and
5 markets, it's also transmission.

6 And the Council needs -- should --
7 probably every one of you understands that, and to
8 the extent this is redundant, I apologize, but the
9 transmission system in nobody's grids were designed
10 for wholesale transfer of cross country power.

11 And in fact, my fax that was on my
12 computer said we were in a power alert today, one of
13 the reasons being those people attempting to pass
14 power or passing power from the north down -- from
15 cooler climate down to the warmer climate. So while
16 we aren't in the throws of it right now, certainly
17 that doesn't mean we're not impacted by it.

18 And those of us that are in the
19 business of keeping lights on are very sensitive to
20 it and we -- it's a political question, but when the
21 rubber meets the road we're the ones -- TVA and us
22 in partnership are the ones that people are going to
23 call, and I can assure you I don't want to start
24 rolling blackouts, and I'd appreciate any political
25 help to see that that doesn't happen.

1 Thank you.

2 MR. BRUCE SHUPP: Let me review the
3 afternoon's session. We're going to break now for
4 lunch and come back promptly at 1:00. And we have
5 the public comment session, and I am not sure how
6 many comments we have now.

7 Does anybody know that back there?

8 We had two I know of signed up as of
9 the coffee break. We will go through that, then
10 talk about the Council's role with the temporary
11 roof issue and then deliberate on the public lands
12 management policy and see if we can come to a
13 closure on that and pass that recommendation to the
14 Board and that will be it, that's the end of our
15 planned agenda that. We have covered the rest of
16 the afternoon session.

17 So I urge you to check out now.

18 Lunch is ready. Lunch is ready, but you can have
19 some time now. You have an hour and 20 minutes for
20 lunch. Get back promptly at 1:00 and we will get
21 going.

22 (Lunch recess.)

23 MR. BRUCE SHUPP: Okay. All council
24 members take their seats and we will start the
25 afternoon session.

1 This is the public comment period.
2 We welcome all of you who are non-Council members to
3 the Council meeting. Our normal procedure is to
4 allow an hour for public comment and to allow about
5 five minutes for presentation, and it's very
6 productive if the Council has a chance to question
7 the presenters. I have right now ten presenters.

8 MR. DAVE WAHUS: Nine, one dropped
9 out.

10 MR. BRUCE SHUPP: One dropped out.
11 Okay. Well, I still have nine. I added that tenth
12 one. I have nine now. And I have four on one
13 issue, which is the Lake Douglas -- Douglas
14 landowner issues. I have three on the
15 roofs-over-the-camper issue. And I have two
16 separate issues.

17 I would like to ask those of you that
18 are in a group or might have come in a group on the
19 same issue, if you want to appoint a spokesman it
20 would be great, because that way there would be more
21 interaction on the issue. If not, you're certainly
22 welcome to your five minutes if you have something
23 extra to say. I just urge you that if we had more
24 interaction, the Council has more interaction we get
25 to understand the issue a lot better. So I offer

1 these comments.

2 We take these in the order they come,
3 and I'd like to start out with Mr. Tom Claxton of
4 Harrison, Tennessee.

5 MR. TOM CLAXTON: I just did walk in
6 in time, didn't I?

7 Hi. My name is Tom Claxton. I'll
8 just give you a bit of my background. I come from a
9 TVA family. My father was with TVA from the time it
10 almost began and he retired after 32 years. I was
11 raised and currently live on Lake Chickamauga on
12 land that was purchased 53 years ago by my family.

13 And I know I am a bit late coming to
14 the fray on aquatic weeds, but I just want to add a
15 bit of emphasis to convey to TVA and to the Council
16 on the far reaching effect of these weeds,
17 everything from water quality to the use of TVA's
18 public lands, which you have got a subcommittee
19 working on now, but once these weeds get started
20 they will clog the shoreline and swimming or fishing
21 from the shoreline will be impossible.

22 These comments are directed to
23 Hydrilla and Eurasian milfoil, which both are
24 present in the TVA system and both which cause
25 problems in far excess of other aquatic plants.

1 When you think of these weeds, you can think of
2 Kudzu on steroids. They can grow an inch a day and
3 30 feet long.

4 Your recently approved policy says
5 that TVA should have the responsibility for
6 management plans and solutions. I have seen one of
7 TVA's aquatic plant management and implementation
8 plans and am disappointed by it.

9 The method TVA is using and is
10 proposing to control these fast growing weeds is to
11 clip the top of the plants. Not only will these
12 plants grow back from the roots better than any fine
13 lawn does when you cut it, any clipping or stem
14 where the leaves are attached and left in the water
15 has a 50 percent or better probability of starting
16 new plants.

17 There's also problems with the --
18 that the plants stink like a dead fish when it's
19 placed on the shore or it decays. The Corps of
20 Engineers and other authorities recognize that
21 harvesting is probably the most expensive type of
22 plant management. This method does not kill the
23 roots and results in rapid regrowth. Any clippings
24 that remain in the water may start new plants. A
25 large number of forage and small game fish are also

1 harvested with the plant and disposal of the refuse
2 can produce aquatic or site problems.

3 Also, part of the plan is to let
4 shore landholders chemically treat some of the area
5 above their land. However, the requirements being
6 made by the Tennessee Department of Environmental
7 and Conservation place highly restrictive and
8 expensive requirements on the possible use of
9 herbicides.

10 It could easily cost between 1,000
11 and \$1,400 per year for the required treatment for
12 each landholder. These costs will only drive people
13 to look for other possible means to treat the weeds.
14 There are herbicides that can be purchased from the
15 Internet or unapproved grass killers can be
16 purchased from a local hardware store, any of which,
17 if misapplied, could do far more damage to the water
18 quality than having the stewardship done by TVA.

19 There is also the Presidential
20 Executive Order, No. 13112, that I would like to
21 call your attention to. It's entitled, Invasive
22 Species, and it's dated February 3rd, 1999.

23 By this enactment federal agencies
24 are required to control the population of invasive
25 species and provide for restoration of native

1 species and habitat conditions. Hydrilla and
2 Eurasian water milfoil are specifically listed as
3 invasive species under this order.

4 When TVA created its reservoirs it
5 has a condition that is -- has created a condition
6 that is very conducive to the establishment of
7 Hydrilla and Eurasian milfoil. In the past TVA has
8 attempted to provide stewardship of the natural
9 ecosystem of the lakes. However, it appears that
10 the current philosophy put forth by TVA is that they
11 are only a facilitator and to let other concerns
12 determine what should be done on the reservoirs.

13 It is hard to imagine TVA's view of a
14 healthy lake as a boat lane cut through weeds. It's
15 also hard to imagine what will happen when the
16 neighbor's weeds break loose and floats towards the
17 Sequoyah Nuclear Plant's water intake, which happens
18 to be located right across from what will be one of
19 the prime growth areas.

20 I believe that TVA has a
21 responsibility in the stewardship to maintain the
22 lakes and the ecosystem and the invasion of these
23 plants are not in keeping with that charge.
24 Hopefully, you can guide TVA to be more than just a
25 government owned power company.

1 Thank you for your time.

2 MR. BRUCE SHUPP: Thank you. Would
3 you like to submit that written statement for the
4 record as well as your --

5 MR. TOM CLAXTON: Yes.

6 MR. BRUCE SHUPP: I failed to mention
7 that before, if any of you have sent letters already
8 to the Council or to TVA, those will be entered in
9 the record and you can just summarize your comments
10 from those letters.

11 Any more -- any questions for
12 Mr. Claxton?

13 All right. The second presenter is
14 Mr. Axel Ringe who is from New Market, Tennessee,
15 and he's an environmental activist in the State of
16 Tennessee and an esteemed member of our water
17 quality subcommittee.

18 Axel?

19 MR. AXEL RINGE: Thank you. I ask
20 your indulgence. I actually have two comments that
21 I want to make, and they are not related to each
22 other.

23 The first one I want to make falls
24 from the discussion earlier this morning on the
25 future of the RRSC. And as a member of the

1 environmental community in Tennessee and as one who
2 has had the honor of serving on the water quality
3 subcommittee of this Council, I would like to urge
4 that the Council be extended beyond its sunset date
5 of February of next year.

6 I think that TVA, as a federal agency
7 without congressional oversight, as it is now, can
8 only benefit from the advice and guidance of a
9 diverse group of stakeholders that are committed to
10 seeing TVA make policies and decisions that benefit
11 the region and the stakeholders as a whole.

12 My second comment also follows from
13 discussions of this morning, and I am being
14 opportunistic here. I want to add my urging to the
15 public lands subcommittee to address the issue of
16 vegetation management on TVA rights-of-way. I speak
17 not only as a member of the environmental community
18 here but from a personal perspective because I have
19 a right-of-way crossing my property.

20 The basic purpose of managing
21 vegetation on these rights-of-way is to keep trees
22 and tree limbs from falling into the transmission
23 lines and causing outages and associated damage.
24 The traditional approach has been to maintain the
25 ground under these rights-of-way in grass, because

1 obviously grass is not going to fall on the lines.

2 And the means of maintaining this
3 grassy land under there has been to use the cheapest
4 means possible, obviously, which means either you
5 bush-hog it every year or so or you spray it with a
6 specific herbicide that discourages plants.

7 What ought to be considered is the
8 amount of land that rights-of-way occupy in this
9 region. In East Tennessee alone there are over
10 12,000 miles of TVA rights-of-way at an average
11 with -- of right-of-way of 150 feet, that's a lot of
12 land, folks.

13 The effect of keeping this strip of
14 grassy land over all this area is to have a
15 significant disruptive effect on your native
16 ecosystems. In East Tennessee, in particular, your
17 vegetation historically has been broad leaf trees.

18 To intersect this with these grassy
19 strips significantly disrupts not only the
20 vegetation patterns but the various species and
21 animals that depend on it. It creates barriers to
22 movement. It creates opportunities for the invasion
23 of exotic species. The list can go on and on.

24 The Electric Power Research Institute
25 has for many years, at least 15 or more that I am

1 aware of, thank you, has investigated the issue of
2 vegetation management on rights-of-way. A number of
3 studies that they have sponsored have indicated that
4 there are cheaper means of maintaining rights-of-way
5 that are not a danger to lines that keep it in
6 grass.

7 There are a whole list of shrubs and
8 low growing trees that if allowed to establish will
9 permanently self-maintain themselves, and indeed,
10 TVA itself has issued a brochure that presents a
11 list of these species that can be planted under
12 rights-of-way that will maintain that area in a
13 native vegetation that is more conducive to the
14 maintenance of a natural ecosystem than what is
15 currently practiced.

16 Thank you.

17 MR. BRUCE SHUPP: Thank you, Axel.

18 Any questions for Axel?

19 Now, moving into the Lake Douglas
20 group, and the first one on that list is Judy and
21 Joe Moon.

22 MS. JUDY MOON: I'm Judy. I mainly
23 want to speak in appreciation for the work that you
24 have done on our behalf in consideration of the lake
25 levels.

1 Just suppose you wanted to take your
2 children to the Grand Canyon and when you arrived
3 you found out that it had been filled with cement to
4 the rim.

5 Just suppose you wanted to visit
6 Niagara Falls and when you arrived the falls had
7 diminished to a trickle. All the water had been
8 diverted for other uses.

9 Just suppose you wanted to experience
10 the Fall color in East Tennessee and when you
11 arrived at Douglas Lakeside with a backdrop of the
12 Great Smoky Mountains, you looked and said, where is
13 the lake? It was here in May. Then a gust of wind
14 comes across the dried red clay lake bed and you
15 remember -- pictures of the western dust bowl
16 devastation are called to your mind, so you hurry to
17 your car and rush home.

18 Well, we can't rush home. We need
19 good air to breathe and we need our water filled
20 lakes. This is our home. In your hands is the
21 control of the air we breathe and the water we so
22 desperately need, and this is more than just a
23 matter of kilowatts of electricity generated
24 according to a summertime schedule.

25 Thank you for an ethical

1 consideration of our welfare.

2 MR. BRUCE SHUPP: Thank you. Any
3 questions?

4 All right. Mr. Glen Bibbins from
5 Dandridge, Tennessee.

6 MR. GLEN BIBBINS: Thank you,
7 Mr. Shupp. I am Glen Bibbins. I am the president
8 of Landowners and Users of Douglas Lake. We have 15
9 or 20 of our people here today to show their support
10 for the work that you're doing.

11 First of all, thank you for your
12 serious commitment and dedication to the effort that
13 you have demonstrated for more than the past year.
14 I have followed the activities of the Council, as
15 you've held regular meetings all over the Valley,
16 and it's obvious a great deal of work has been done.

17 Just by browsing some of the
18 transcripts on-line, I can see that you cover a
19 great deal of complicated and controversial
20 territory. That's why I think you will be pleased
21 to know that I am going to be very brief today.

22 Ms. Rich of TVA was kind enough to
23 send me the summary of the public input to one of
24 your subcommittees, the public lands subcommittee.
25 TVA has done a terrific job of summarizing the input

1 from the public to this subcommittee. I am very
2 impressed with the quality and the completeness of
3 that document. It indicates that 41 individuals
4 representing 27 organizations provided input to the
5 subcommittee, with 75 percent of the comments of the
6 most pressing public lands issues falling within
7 these four major themes; one, providing recreation
8 opportunities; two, maintaining water levels; three,
9 insuring water quality; four, balancing competitive
10 demands. These responses are all related to one
11 another.

12 I would like to point out once more
13 that improved water levels on the tributary lakes
14 would have a huge impact on the Valley, help TVA
15 generate prosperity in the Valley because the area
16 of influence is indeed vast.

17 There are 2,762 miles of shoreline on
18 the tributary lakes. They impact an area of about
19 40 percent of the size of the State of Tennessee,
20 and it is our opinion that just a small change in
21 lake level policy would have a great deal of
22 leverage on this situation.

23 That's why I was very pleased that
24 when Ms. Coulter, chair of the public lands
25 subcommittee, sent me a draft of their

1 recommendations so far it contained this quotation,
2 "Continued improvement is warranted in working with
3 the public on lake level fluctuations."

4 Thank you again for your intensive
5 public service and your interest.

6 MR. BRUCE SHUPP: Thank you.

7 Questions? Comments? Thanks.

8 Mr. Joe Brang from Dandridge,
9 Tennessee.

10 MR. JOE BRANG: Thank you. I won't
11 need the five minutes. By way of introducing
12 myself, I live in Dandridge on Douglas Lake, and as
13 a result, I am very much interested in water quality
14 and the things that you have talked about here.

15 I am very impressed with the work
16 that this group has done, and I understand that this
17 morning you passed a resolution to pass on to the
18 Board which is to study the issues involved with
19 lake levels, which is the one -- and water quality,
20 which is the ones that I am very much interested in.

21 I just kind of wanted to make one --
22 a couple of comments about the advantages to TVA;
23 and that is, as a result of leaving the lake levels
24 the amount of electricity generated with the greater
25 pressure against the turbines would be greater in

1 reducing the need for fossil fuel generation,
2 reducing the need -- or reducing the amount of air
3 pollution as a result of leaving the lakes up.

4 The second advantage to TVA is that,
5 of course, the economic impact, which has been well
6 documented, would be greatly increased, resulting in
7 more customers for TVA, and therefore, an ability to
8 be more profitable.

9 The third, which is probably
10 something that bothers me very much, having lived
11 there for three years, is the public image. I see
12 it documented in the paper quite frequently that the
13 public image of TVA is of great concern to them and
14 the money they spend with trying to improve their
15 image, and yet, the thousands and thousands of
16 people that use these tributary lakes and see the
17 lakes go down, it just communicates a total lack --
18 and that's a very bad word, I don't want to say
19 total lack, but it communicates a lack of interest
20 in the customers that use those lakes, that want to
21 use them for recreation. And probably this would
22 have more impact on the public image of TVA than the
23 millions that are spent today with the agencies that
24 are hired to do just that.

25 Thank you. Any questions?

1 MR. BRUCE SHUPP: Thank you very
2 much. Ruth Ann Parker from Dandridge, Tennessee.

3 MS. RUTH ANN PARKER: I decline, but
4 thank you.

5 MR. BRUCE SHUPP: Okay. I have three
6 speakers left to go. And as far as I know, they are
7 all addressing the roofs-over-camper issue.

8 Is there anyone else here that has
9 not registered or has just registered on another
10 issue than that? I would like to put you before the
11 roof issue.

12 Okay. We will start then with the
13 discussion on the roofs over campers, and the first
14 speaker will be Charles (sic) Arrington from Fall
15 Creek Campground, Greeneville, Tennessee.

16 MR. ALLAN ARRINGTON: Folks, my name
17 is Allan Arrington. I live in Greeneville,
18 Tennessee. I am here to represent people who have
19 campers at Fall Creek boat dock.

20 I kind of request up front that you
21 bear with me, I'm not much of a public speaker. My
22 sons will probably say I give a lot of speeches, but
23 I really don't.

24 We're here to request that the Board
25 will recommend some of the guidelines that have been

1 passed down to us. I am going to attempt to read to
2 you what I have prepared, and I'll be glad to answer
3 any questions I can.

4 We're here to request that the Board
5 recommend to TVA that the existing roofs at Fall
6 Creek Campground be grandfathered in. These roofs
7 were with TVA's permission. They met TVA's
8 guidelines at the period of time they were
9 constructed. I know this is a small problem to this
10 Board with the long list of issues that you have to
11 deal with, but it's very important to all of us.

12 You will find in the documents I have
13 provided for you that roofs and porches were not
14 prohibited in the original leases. Exhibit No. 1
15 that you have is an example of the lease provided to
16 Mr. Mike Hughes in 1985 to look over before deciding
17 to purchase the current lease on the TVA campground.
18 Mr. Everhart was then -- was the leaseholder. I was
19 not able to obtain the first lease, but Mr. Hughes
20 states that it was the same as the one in Exhibit 2,
21 which is the signed lease on August 15, 1991, TVA
22 contract No. TV83719V.

23 The paragraphs concerning campers are
24 the same. I have these original documents if any
25 one of you-all would like to see them. Item No. 3

1 is a letter from Mike Hughes, the lessee of Fall
2 Creek Campground, to this Board concerning two
3 issues.

4 Issue one is the meeting he and his
5 wife had with TVA employees, I'm probably not going
6 to pronounce these names right, Susan Fuhr and Karen
7 Stewart. This meeting was requested to verify for
8 Mr. Terry Brown of Aluminum Vinyl & Sales of
9 Greeneville, Tennessee as to restrictions in
10 constructing roofs over campers and to make sure
11 that he would be legal in doing so. Item No. 4 is a
12 letter from Mr. Brown, who could not be here today,
13 verifying this information.

14 Mr. Hughes and his wife, Lisa, along
15 with Mr. Brown, state that they were given verbal
16 permission at this meeting with Ms. Fuhr and Ms.
17 Stewart to build roofs over campers as long as it
18 met with the non-attachment clause in the lease.
19 All roofs built follow these guidelines.

20 Issue No. 2 that Mr. Hughes addressed
21 was the fact that it was brought up that these roofs
22 were unsightly and what mess would be left once
23 campers were pulled away and these roofs are left
24 there, and he addresses that in his letter to you.

25 I have taken several pictures showing

1 you the roofs and porches at Fall Creek Campground.
2 Some include pictures of wheelchair ramps on the
3 porches, which in some cases people couldn't even
4 use these facilities without those. As you can see
5 in the pictures, they are free-standing roofs that
6 campers can be moved away from at any time. Also,
7 you can tell these structures are not shanties or
8 are not constructed poorly.

9 I also brought for you a picture of
10 the Fall Creek Campground taken in 1986 when
11 Mr. Hughes first leased this campground from TVA.
12 The reason I brought this to you is so you can
13 compare it to the pictures I also have of the
14 campground today, and you can see quite a difference
15 in them.

16 The reason I bring this is I feel
17 that you will see from the improvement of the
18 campground, the investment Mr. Hughes has made in
19 the campground, he has no reason to tell untruth
20 about this meeting because he stands to lose that.

21 Items 5 and 6 on these pages are from
22 Mr. Hughes' current lease, changes concerning roofs
23 and porches. These were provided to me by TVA.
24 Mr. Hughes states that he has argued with TVA for a
25 long time concerning the issue to no avail, that he

1 and his customers have been given permission to
2 build these roofs and porches along as they don't
3 violate the lease.

4 He says TVA would not remove this
5 clause from his lease and he felt his only choice
6 was to sign the lease or lose his family's
7 livelihood, not to mention his investment and years
8 of hard work.

9 We feel this is not fair to the
10 people who obeyed the guidelines set out by TVA in
11 building these roofs and porches and respectfully
12 ask that you help us in this manner.

13 I will be glad to answer any
14 questions I can.

15 MS. JULIE HARDIN: Mr. Arrington, how
16 many campsites are we talking about? What's the
17 capacity of Fall Creek Campground?

18 MR. ALLAN ARRINGTON: I think the
19 exact capacity of Fall Creek Campground is 55, 56
20 sites, and I think there are 31 sites involved that
21 have either roofs over their porches or roofs over
22 the entire camper.

23 MS. JULIE HARDIN: Also, is there any
24 kind of an awning or a pop-up tent that could give
25 the required amount of shade to family members,

1 something like you might buy at K-Mart or whatever?

2 MR. ALLAN ARRINGTON: I'm sure there
3 is possibilities. Some campers have awnings that
4 pull out from the camper that could go over a roof
5 or over a porch, but as you can see from the
6 guidelines, the way I read the new lease, even
7 porches are restricted from being available.

8 MS. JULIE HARDIN: Thank you for your
9 letter.

10 MR. BRUCE SHUPP: Are most of the 51
11 sites permanently leased?

12 MR. ALLAN ARRINGTON: It's hard for
13 me to say since I don't own the business. I have
14 been going to Fall Creek Campground for many years.
15 Up until just recently, the Fall Creek dock and
16 campground was the only operating campground there.
17 TVA had farther out on the point a
18 TVA-owned-and-leased campground that was not active
19 for a long time. For what reasons, I don't know,
20 but it is now open and leased. There is another
21 campground that's just adjacent to there, Everhart's
22 Campground. And to answer your question, I
23 really -- I guess I got lost.

24 What did you ask me?

25 MR. BRUCE SHUPP: I asked if most of

1 the sites were permanently leased. Those 31 roofs,
2 are they permanently leased sites?

3 MR. ALLAN ARRINGTON: Yes, sir, they
4 are. Yes, sir. I made a count -- I came down
5 yesterday and took the photographs and just -- I
6 don't know why I did, I made a count in the
7 campground to kind of see what campsites were
8 available or not available, and I stopped counting
9 at 63 campsites in the three campgrounds that were
10 available at that time. There were more after that,
11 but I stopped counting.

12 MR. BRUCE SHUPP: Any other
13 questions? Thank you, Mr. Arrington.

14 DR. PAUL TEAGUE: Bruce, I would like
15 for the Council members, especially the land
16 management, to look at those pictures over there
17 before and after when TVA had access of it and when
18 Mr. Hughes took it over, and I think those
19 pictures -- on one side of the pictures are of the
20 lean-tos or whatever you -- porches or whatever you
21 call them, but the other side is what the area looks
22 like, because these pictures reinforce the last
23 paragraph of the land management recommendations;
24 and that is, cooperation, consideration.

25 Look what it looks like before and

1 what it looks like today, and to see the impact that
2 that one thing had on that community financially, if
3 nothing else, beauty is appropriate also, but also
4 the financials. So especially the people that's
5 going to be making that decision on the land
6 management, be sure to look at them, and I would
7 even recommend that all members look at these
8 before-and-after pictures.

9 MR. BRUCE SHUPP: We're going to
10 discuss how we're going to handle as soon as we hear
11 from all the speakers.

12 Mr. Ron Motz.

13 MR. RON MOTZ: Thank you. My name is
14 Ron Motz. I'm from Greeneville, Tennessee. I have
15 had a camper up at Fall Creek for 15 years now. As
16 I was getting ready to address you people, I first
17 want to applaud every one of you for serving in the
18 role you do.

19 And second, my own Judeo-Christian
20 background forced me to remember how many times the
21 God of the Old Testament, the God of the New
22 Testament, spoke of what the responsibility and
23 obligation of being a steward is, one of those is
24 fairness. And I ask for fairness from you today,
25 and that's my request in coming and appearing before

1 you.

2 My beautiful wife, my son is
3 handicapped in a wheelchair. My son cannot tolerate
4 what are every day-to-day experiences, like cold
5 weather, wind, like intense light. Ten years ago we
6 put a roof over our camper, detached, professionally
7 installed by Mr. Brown, and at that time fulfilled
8 every obligation that TVA said we had to. Now, it's
9 my understanding it's being reversed.

10 I ask you to please be fair. Thank
11 you.

12 MR. BRUCE SHUPP: Thank you. Any
13 questions?

14 Mr. Bobby Collins.

15 MR. BOBBY COLLINS: Sir, I think it
16 was well covered Mr. Arrington.

17 MR. BRUCE SHUPP: Thank you, Mr.
18 Collins. Anyone else in the room that would like to
19 make a statement to the Council?

20 Okay. So we will end the public
21 comment period. We thank you-all very much for
22 coming and sharing your views with the Council.
23 It's important to us that we hear from somebody but
24 ourselves, so we appreciate that very much.

25 We now bring up the subject of how we

1 want to deal with the temporary roof issue. I will
2 tell you at lunchtime that Bridget Ellis, who is in
3 charge of the program, told me that if -- are
4 you-all listening? This is important. It's
5 probably the only important thing I am going to say
6 all day.

7 If Council is going to take up the
8 question of making a recommendation to TVA on the
9 roof issue, TVA will back off the deadline on the
10 roof removal, which is August, which gives us time
11 to deliberate this until our next meeting, whenever
12 we come up with our recommendations. So the
13 deadline is then cut off from the removal issue, and
14 we have our time to deliberate, if that is what we
15 want to do.

16 So it's open for discussion. I
17 guess, Ann, as the chair of the public lands
18 committee, do you feel it's a just role and that you
19 want to take on the challenge?

20 MS. ANN COULTER: Well, I think if
21 the Council is -- if this issue is to be addressed,
22 it's appropriate to begin in our subcommittee. We
23 discussed it yesterday and realized that we needed
24 more information before we could make a
25 recommendation and also knew that the Council was

1 going to take it up today and wanted to hear the
2 advice of the Council. We would address the issue,
3 if that's what's determined at the end of this
4 discussion.

5 MR. BRUCE SHUPP: Steve.

6 DR. STEPHEN SMITH: I may be out to
7 lunch on this. I guess I don't fully understand the
8 dimensions. I mean, I understand the citizens who
9 are concerned about it, but I am not sure I fully
10 understand all of the different arguments on both
11 sides.

12 Is there a way that we can get -- you
13 know, a nutshell, 50,000 foot view, real quick
14 understanding of that, somebody just sort of --

15 MR. BRUCE SHUPP: Well, I think
16 that's the issue. The issue is that we don't
17 understand it. We have only heard one side of it.
18 I have no idea what TVA's side is, why they're doing
19 it, you know, what the issues are, and that's why I
20 think if the Council is going to undertake this we
21 need some time and the public lands committee would
22 certainly be the ones to do it.

23 DR. STEPHEN SMITH: But, I mean, even
24 before I even made a recommendation on that, it
25 would be useful just to understand, you know, very,

1 very briefly what the issues are to see whether this
2 is something that warrants, you know, our attention
3 or is this something that is -- I mean, I don't have
4 enough information to make that determination. Like
5 I say, I have only heard from, you know, the
6 perspective of the folks that actually have --

7 MR. BRUCE SHUPP: Who would you like
8 to hear from?

9 DR. STEPHEN SMITH: Well, I -- at the
10 very minimal I would like to hear TVA's perspective,
11 and then I don't know if there are other -- and
12 maybe if TVA would try to accurately represent --
13 are there other users of the campground that are
14 concerned about the structures? Are there -- is
15 this -- you know, how broad is this? I mean, how
16 many campgrounds are we talking about and sort of
17 what the rationale is? Is Bridget the one that
18 needs to brief us?

19 MR. BRUCE SHUPP: Yes. Bridget,
20 would you give us a five-minute overview, please?

21 MS. BRIDGET ELLIS: Thank you. A
22 couple of things with the campgrounds, those that
23 have been managed by TVA, our policy has always been
24 that there would not be permanent structures over
25 and around those campsites. Now, where they are

1 leased to other private groups, I think that is
2 where the issue is and the question is, is how has
3 TVA consistently applied that same policy to those.

4 And when we -- I think it was
5 about -- it was in '97 or '98 when we actually
6 started taking more of our campgrounds and putting
7 them in private hands and private proprietorship.
8 We tried to get consistent with our policies on
9 those issues, and that's how this particular issue
10 has come up. So that's where it's coming from.

11 DR. STEPHEN SMITH: So there's a
12 policy on TVA lands that are not leased to anyone
13 else that these structures are not allowed and then
14 in areas where there are -- that TVA leases there is
15 not a consistent policy?

16 MS. BRIDGET ELLIS: There is not a
17 consistent policy.

18 DR. STEPHEN SMITH: So there are some
19 areas where TVA has not allowed these and then there
20 are others where they have?

21 MS. BRIDGET ELLIS: And obviously if
22 we have got verbal agreement, then that's something
23 I have got to look into. That's the reason why I
24 suggested to the Council that we allow the public
25 lands subcommittee to take a look at this, and then

1 let me give them more information about what the
2 Valley-wide perspective is also.

3 DR. STEPHEN SMITH: Just another
4 question, and I could ask the owners too, but from
5 looking at the pictures some of these things look
6 relatively permanent. Are people actually living at
7 these campsites, I mean, permanently living?

8 MS. BRIDGET ELLIS: Do you know?

9 MR. ALLAN ARRINGTON: In the Fall
10 Creek Campgrounds, there's no permanent residents
11 there. I know that in some of the other
12 campgrounds, including my hometown where people are
13 coming in to work on construction projects and
14 things like that, there are permanent residents
15 there, but there's no permanent residents in Fall
16 Creek.

17 DR. STEPHEN SMITH: So you mean like
18 you come for a weekend and go back home?

19 MR. ALLAN ARRINGTON: Or a week in
20 the summer or something like that.

21 DR. STEPHEN SMITH: But then you
22 lease that spot year-round?

23 MR. ALLAN ARRINGTON: Year-round,
24 that's correct.

25 DR. STEPHEN SMITH: So no one has

1 access to it, other than you, in the times that
2 you're not there?

3 MR. ALLAN ARRINGTON: Besides our own
4 permanent lease, it's the person who has it under
5 the lease or persons you choose to let use it.

6 DR. STEPHEN SMITH: Because it seems
7 like if it's -- I guess that's what I am struggling
8 with, if it's public land it sounds like it's being
9 leased indefinitely to folks for individual use and
10 it almost becomes like private property at that
11 point.

12 MR. ALLAN ARRINGTON: My point on
13 that would be that this is not TVA operating and at
14 that point in time TVA has leased that land to
15 individuals to operate it as a campground, and then
16 what becomes effective is how can we support this
17 campground.

18 Once TVA has leased it to the
19 campground operator and given him guidelines to go
20 by, that's his -- how he has to go to operate. Then
21 it comes to him whether -- how I am going to make
22 this financially, you know. Feasible to operate
23 this campground?

24 Do I have to leave every campsite
25 open until Friday when people roll in and say I want

1 this campsite? And to be able to do that, he has to
2 be able to have, you know, some permanent leases,
3 yet, keep so many open for people who do make
4 reservations and just camp other times. I guess I
5 went around in a circle and not answering your
6 question.

7 DR. STEPHEN SMITH: I hear you. I
8 understand. I am just not intimately familiar with
9 how -- how that goes. I mean, TVA leases it to a
10 private operator and then it's a for profit
11 operation?

12 MR. ALLAN ARRINGTON: This is the --
13 probably in my lifetime the third or fourth
14 campground we have been in. I think some have been
15 TVA leased. Like in the City of Greeneville we were
16 in a campground there. They deal basically with the
17 same situation. You have got 60 percent of
18 campsites that are leased on a permanent basis and
19 the rest of them are on a seasonal or weekend type
20 basis. And all the campgrounds I have been in have
21 been this type of basis, you keep a certain number
22 of spaces available and other spaces you try to
23 lease them permanently so you can operate your
24 business.

25 MR. BRUCE SHUPP: Steve, let me move

1 on to other questions.

2 DR. STEPHEN SMITH: Sure.

3 MR. BRUCE SHUPP: Phil?

4 MR. PHIL COMER: Yeah. I just wanted
5 to make one statement and then ask Bridget one
6 question. I am not as -- other than observing these
7 kind of campgrounds, and there are two just right
8 across from where I live in my permanent home on
9 Douglas Lake, and they are operated exactly this
10 same way, and to my knowledge, 100 percent of them
11 have these kind of porches and roofs in front of
12 them and so forth.

13 And I never really heard any
14 complaints about them from local people or residents
15 or anyone else. I certainly don't, and yet, it's
16 straight within my view, probably a half a mile
17 away.

18 The biggest concern that I would have
19 is if they were deteriorated or allowed to be
20 become, you know, a shanty town, and the ones I am
21 familiar with have not become that way and neither
22 do these pictures imply that.

23 There's a real analogy here between
24 these kind of campgrounds and marinas which TVA
25 either owns or leases, I don't mean they own, but

1 they either own the land and lease it to marina
2 operators, the same thing exactly with houseboats
3 and boathouses that are either well maintained or
4 not well maintained.

5 Have you looked into how your
6 practice or your decision to change the policy, is
7 it consistent with how private campground owners --
8 are they all eliminating roofs?

9 MS. BRIDGET ELLIS: I don't have an
10 answer for that.

11 MR. PHIL COMER: Wouldn't it be a
12 nice idea to sort of do a little study to see how
13 the private campgrounds -- are they suddenly
14 deciding that roofs are -- why did you arrive at
15 this decision?

16 MS. BRIDGET ELLIS: Again, we were
17 looking at the campgrounds that TVA owns and
18 manages, we have that policy, and we were looking at
19 a consistency of policy across not only those we own
20 but those we lease.

21 MR. PHIL COMER: Did you review the
22 policy that TVA has and perhaps rescind that policy
23 rather than change these grandfathered situations?

24 MS. BRIDGET ELLIS: Say that again.

25 MR. PHIL COMER: Why do you have that

1 policy? Maybe your policy is wrong.

2 MS. BRIDGET ELLIS: Well, I think
3 that's why we've asked for the public lands
4 subcommittee to take a look at it.

5 MR. PHIL COMER: Well, that's kind of
6 late in the day to come up with that, Bridget,
7 that's because all of these people wrote letters and
8 raised hell about it, but why did you make this
9 decision a couple of years ago to --

10 MR. BRUCE SHUPP: Phil.

11 DR. KATE JACKSON: Maybe I can
12 respond to that.

13 MR. PHIL COMER: I'm just curious.

14 DR. KATE JACKSON: Bridget was not in
15 her current job as the vice president of resource
16 stewardship at that time.

17 It is due to extensive public
18 pressure that public lands should be accessible by
19 the general public and trying to balance the need
20 for the use of those campgrounds for campgrounds and
21 the use of those campgrounds for public access to
22 the reservoir system.

23 MR. BRUCE SHUPP: And I think this is
24 indeed an appropriate role for the Council. Your
25 questions are questions that should be asked and

1 answered, and here's where -- what Kate was talking
2 about this morning about our value judgements, this
3 is a value issue. This is an economic issue to
4 these folks, but it's also a value issue in the
5 policy.

6 Are the values depicted in the
7 current policy the right values or do the values
8 that demonstrate a good stewardship of that
9 campground and the grandfathering issue to be heard,
10 are those values preeminent over the existing
11 policy, that's what I think the public lands
12 committee can begin to address by talking to Bridget
13 and talking to Kate and other TVA staff and
14 determining where we are and coming back, if you
15 could, with a recommendation at our August meeting,
16 or at least a recommendation on how we should
17 proceed by our August meeting.

18 Jimmy?

19 MR. JIMMY BARNETT: Yes. I make a
20 strong recommendation that we refer it to the land
21 committee and let them report back at the next
22 meeting with the appropriate delay in any
23 enforcement of the policy during that particular
24 time.

25 MR. BRUCE SHUPP: Bill?

1 MR. BILL FORSYTH: I would just
2 recommend that in looking at the policy you might
3 look and see if TVA makes money in the operation of
4 their campgrounds, the way they operate them,
5 whether they make money or lose money, and use that
6 in the deciding how to require for profit people to
7 operate their campgrounds.

8 MR. BRUCE SHUPP: Julie, then Paul.

9 MS. JULIE HARDIN: Exactly where is
10 Fall Creek Campground?

11 MS. BRIDGET ELLIS: Morristown area
12 on Douglas.

13 MR. ALLAN ARRINGTON: Cherokee.

14 MS. BRIDGET ELLIS: Cherokee, okay.

15 MR. PHIL COMER: Cherokee, Bridget.

16 DR. PAUL TEAGUE: A couple of things.
17 Number one, what is permanent? There's no concrete
18 poured. There's some poles driven in the ground.
19 And these are questions that I will be bringing up
20 when we have our committee meeting.

21 Number two, responsibility, if this
22 is leased to Mr. Hughes, then if these people
23 abandon this site, then it's Mr. Hughes'
24 responsibility to -- or the person who put it up to
25 restore it back to its preconstruction condition.

1 These are questions that we will have
2 to take up in the subcommittee, but for a
3 clarification point to Steven here, I talked to
4 Mr. Arrington a couple of nights per telephone. I'm
5 too old to fool with e-mail, so I have to talk
6 either eyeball-to-eyeball or at least telephone.

7 These are not permanent leases,
8 Steven. These are annual leases. It's my
9 understanding that are renewed every year if it's
10 satisfactory on both parts. So from your point of
11 permanency, it's not.

12 Is that not right, Mr. Arrington?

13 MR. ALLAN ARRINGTON: I think some
14 are paid yearly and some are paid quarterly. So it
15 is not longer than a year at a time.

16 DR. PAUL TEAGUE: That's to remove
17 the permanency part of the question that Steve
18 asked, and I think that answers his question on
19 that.

20 MR. BRIAN PIERCE: I was going to
21 address that about the permanent, it is a yearly --

22 MR. DAVE WAHUS: Would you please
23 state your name, please?

24 MR. BRIAN PIERCE: Brian Pierce, and
25 I'm with -- I have a spot down there, too. The way

1 I pay it is quarterly and they just -- and it is
2 renewed every year, and you can choose to pay it
3 quarterly or you can choose to pay it yearly.
4 And I just happened to actually buy
5 the one that I have got off of a lady that her
6 husband had passed away. And speaking to -- about
7 being permanent, right now there's at least five or
8 six for sale.

9 Am I not right, Allan?

10 MR. ALLAN ARRINGTON: That's right.

11 MR. BRIAN PIERCE: And this goes on
12 and every year they are like that, and they --
13 people might pull theirs out and put another one in
14 and renew the lease, I mean, with Mike. So they are
15 not actually permanent there.

16 DR. STEPHEN SMITH: Do you-all have
17 the ability to sublease it to somebody else?

18 MR. BRIAN PIERCE: No, we don't.

19 DR. STEPHEN SMITH: And is it first
20 come, first serve? I mean, are you given first
21 right of refusal or is it up to the operator, you
22 know, if he has X amount of requests, then he
23 basically chooses one?

24 MR. BRIAN PIERCE: No, I think
25 unless -- now, this is my understanding. Every

1 year, unless he would want to get rid of you, it's
2 automatically renewed or unless we terminate it. I
3 mean, we can terminate it, too. So it's on a yearly
4 thing.

5 And as far as first refusal and on a
6 list, I don't know that he has a running list. Do
7 you, Allan?

8 MR. ALLAN ARRINGTON: No.

9 DR. STEPHEN SMITH: Yeah, that's one
10 of the questions I'd have, does everybody have equal
11 access to these sites? In other words, when that
12 year comes up, is there some sort of lottery that
13 determines or is there plenty of sites available and
14 it's really not an issue?

15 MR. BRIAN PIERCE: It's not an issue.
16 I think there's enough turnover, that's what I was
17 addressing, there's enough turnover, people maybe --
18 like I said, the lady's husband passed away, she
19 wasn't using it anymore, so that happens. People
20 get tired of them, you know, getting into something
21 else. So there's been turnover that I have knowed
22 of since I have been going down.

23 When I actually bought mine I went to
24 look at one of the other campgrounds and the lady
25 had decided she was not going to sell it and I just

1 happened to find this one.

2 MR. BRUCE SHUPP: All right. Other
3 questions?

4 MR. LEE BAKER: You bought it. You
5 assumed her lease? Did you pay her money to assume
6 that lease?

7 MR. BRIAN PIERCE: No. The lease was
8 paid up through March to Mike and Lisa, and I have
9 known them, and I renewed my own lease as of April
10 1st.

11 MR. LEE BAKER: One other question,
12 and I'm certain we can't answer it, but one of the
13 things I would be interested in, it is, it seems to
14 me, an economic issue that seems to underlie this
15 that a certain percentage would need to be permanent
16 in order for it to be economically feasible for the
17 owner. I'm just curious. Does anybody have any
18 idea what that percentage might look like?

19 MR. PHIL COMER: That's very
20 important. Correct.

21 DR. PAUL TEAGUE: We've got an answer
22 over there.

23 MR. DAVE WAHUS: Please state your
24 name, please.

25 MS. KATHY ARRINGTON: Kathy

1 Arrington. I spoke with Mrs. Hughes this week and
2 she said that 25 percent of their campsites were
3 open for people to come in for weekends or to spend
4 a week or two or whatever in the summer and
5 75 percent are permanent.

6 DR. STEPHEN SMITH: And of those
7 75 percent --

8 MR. PHIL COMER: 25 percent.

9 DR. STEPHEN SMITH: No, no, of the
10 75 percent that are permanent, is there -- you're
11 not aware of any sort of a waiting list or how
12 that --

13 MS. KATHY ARRINGTON: I don't know
14 how they handle their business.

15 DR. STEPHEN SMITH: You don't know
16 how they handle that piece of it?

17 MS. KATHY ARRINGTON: No, I do not.

18 DR. STEPHEN SMITH: You don't know
19 how they handle that piece of it?

20 MS. KATHY ARRINGTON: She was just
21 telling me that they did comply with having open
22 sites available, if people wanted to come in for the
23 weekend, and they did have a bathhouse and public
24 restroom there available as well.

25 DR. STEPHEN SMITH: And are the

1 sites -- is it your sense that the sites that are
2 available for year-around lease and those that are
3 open to sort of weekend visitation, are they equally
4 valuable, so to speak, as far as their proximity to
5 the lake?

6 MS. KATHY ARRINGTON: I think so yes.

7 MR. BRIAN PIERCE: I was going to add
8 to that. As a matter of fact, the ones that are
9 open for the weekends or a week are better sites.
10 They are right down on the lake, I mean, like
11 lakefront, and he keeps probably two or three rows,
12 doesn't he, and they are right on the lake. All the
13 rest of us -- like, I am on the last row.

14 MR. BRUCE SHUPP: Paul.

15 DR. PAUL TEAGUE: I have already --

16 MR. BRUCE SHUPP: Are we ready to
17 make a decision on a consensus agreement that the
18 public lands committee will address this and report
19 back in August? Is there anyone --

20 MR. GREER TIDWELL: I am not so
21 opposed to it. I just want to ask one question to
22 drive my decision on that. Bridget, how many camps
23 or campsites does TVA have that they operate and
24 that they lease out to somebody?

25 MS. BRIDGET ELLIS: We have four

1 campgrounds that we run ourselves and the rest are
2 out -- two others and -- it's more like 12 to 15
3 campgrounds. Now, this one is also a private lease.
4 Okay. So this is even more than that. There's like
5 three groups. There are those like in '98 that we
6 were still owning and operating. Then there's those
7 in '98 that we put into this proprietorship. Then
8 those even before that, like Mr. Hughes, where he's
9 just got a lease for his own campground on TVA
10 property.

11 MR. GREER TIDWELL: Overall we're
12 talking 20 different campgrounds?

13 MS. BRIDGET ELLIS: At least, yeah.

14 DR. STEPHEN SMITH: Bridget, can I
15 ask a clarifying question? Are you saying this
16 wasn't a public campground before, that this is
17 Mr. Hughes' personal property that he has chose to
18 turn into a business and run a private campground?

19 DR. PAUL TEAGUE: No. He leased it.

20 MS. BRIDGET ELLIS: This is a lease,
21 okay, of a TVA campground.

22 DR. STEPHEN SMITH: It was a TVA
23 campground?

24 MS. BRIDGET ELLIS: Yeah.

25 DR. STEPHEN SMITH: Because I

1 didn't -- I guess I don't understand the distinction
2 between --

3 MS. BRIDGET ELLIS: Well, we have
4 done it in several different phases. This one has
5 been going on for a longer term, since well back
6 into the '80s. Okay?

7 DR. STEPHEN SMITH: Okay.

8 MS. BRIDGET ELLIS: And then the time
9 frame in '97 and '98, those that we were still
10 operating ourselves we put into that same
11 arrangement, all but four.

12 MR. BRUCE SHUPP: That kind of
13 clarification we're going to need when we get into
14 the decision process.

15 W. C.?

16 MR. W. C. NELSON: Just one quick
17 question. What is the normal term of a lease
18 agreement between TVA and the lessor?

19 MS. BRIDGET ELLIS: 19 a year, I
20 believe, isn't it, Terry? 19 year lease, I believe.

21 MR. W. C. NELSON: How long has this
22 current lease been in effect with --

23 MS. BRIDGET ELLIS: We just renewed
24 it again in '99, so it had been in effect --

25 MR. W. C. NELSON: Same verbiage as

1 before?

2 DR. KATE JACKSON: No.

3 MS. BRIDGET ELLIS: That's the issue.

4 DR. KATE JACKSON: That's the genesis

5 of this issue is when we renewed this lease we

6 upgraded, if you will, to the standard language that

7 we had in the other leases that we just put out for

8 that 19-year lease process in '97 and gave sort of a

9 period of time for the transition to a more

10 consistent policy within that 19-year lease process.

11 MR. BRUCE SHUPP: And during the

12 negotiation of that lease, the owners of -- the

13 lessee had the opportunity to discuss this with TVA

14 but the customers of that campground did not have

15 that opportunity, is that correct?

16 MS. BRIDGET ELLIS: I don't know that

17 for sure, but that's probably true.

18 MR. BRUCE SHUPP: Paul?

19 DR. PAUL TEAGUE: Bridget, for

20 comparison's sake, I know TVA has turned some of

21 these parks over either to private or to

22 municipalities, this has occurred in our county.

23 They were either going to turn it private or turn it

24 over to the county. The private people were

25 fighting for it, they really wanted it, and TVA was

1 releasing it because they were losing money.

2 What is your profit/loss on the ones
3 that you operate, you being TVA?

4 MS. BRIDGET ELLIS: One of them --
5 one of the four is a profit center. The other three
6 are operated at a loss.

7 DR. PAUL TEAGUE: That will be
8 something for us to keep in consideration when we
9 make that decision on the management side is that if
10 these guys are going to make money, we'll let them
11 upgrade them, if you will, as long as it's not
12 detrimental to TVA property, and I think that's some
13 considerations that we're going to have to take into
14 consideration.

15 MR. BRUCE SHUPP: W. C.?

16 MR. W. C. NELSON: One more question,
17 Bridget. Are the campgrounds that TVA operates
18 leased on short-term, two weeks, or are there any
19 long-term leases on those properties?

20 MS. BRIDGET ELLIS: All of the leases
21 we have with either cities or private, is that what
22 you mean?

23 MR. W. C. NELSON: No. No. With the
24 individual campers.

25 MS. BRIDGET ELLIS: Individual

1 campers on ours?

2 MR. W. C. NELSON: Yes. They are
3 more in the weekly?

4 MS. BRIDGET ELLIS: Yeah.

5 MR. W. C. NELSON: You don't do any
6 long-term leases?

7 MS. BRIDGET ELLIS: Right.

8 MR. W. C. NELSON: That's why I'm
9 thinking with these individuals that are leasing
10 property directly to TVA should have a little bit
11 leeway in how they want to handle their leasing with
12 their clients. I think you should use a different
13 criteria on those campgrounds, let him operate it
14 because he's got it for 19 years obviously, and he
15 wants to make a profit on it. So he needs to have
16 some leeway to operate in the way that he can best
17 serve the people that he's working with.

18 DR. PAUL TEAGUE: As long as it
19 doesn't diminish the value of the TVA rights or
20 what-have-you, I agree with you.

21 MR. BRUCE SHUPP: Any more questions?

22 All right. Are we ready for the
23 question?

24 MR. BOBBY COLLINS: I have one
25 question.

1 MR. DAVE WAHUS: Would you please
2 step up to the microphone and please state your
3 name?

4 MR. BOBBY COLLINS: I'm Bobby
5 Collins, retired Army Master Sergeant. I lease a
6 lot at Fall Creek. My question is: Is this going
7 to put the -- put a hold on the time that Mr. Hughes
8 has been given for the tops to be removed?

9 MR. BRUCE SHUPP: Yes. I mentioned
10 that earlier, maybe you were out. Bridget is in
11 charge of that program, and she told me she would
12 pull back on that decision until we come to some
13 recommendation.

14 MR. BOBBY COLLINS: Will Mr. Hughes
15 be notified in writing?

16 MS. BRIDGET ELLIS: Yes.

17 MR. BOBBY COLLINS: Okay. I just
18 didn't want to get him into some kind of trouble
19 because I'd be willing to take mine off, which I'd
20 hate to, because this is the land of the free, and I
21 thank you-all for allowing us to come here and speak
22 our peace today. We're not able to do that in many
23 countries.

24 Thank you.

25 MR. BRUCE SHUPP: Thank you for

1 coming.

2 MS. JULIE HARDIN: Thank you for your
3 letter.

4 MR. BRUCE SHUPP: Okay. I guess all
5 we have to do -- is there anyone opposed to
6 referring this to the public lands subcommittee for
7 an August referral? Sobeit. Okay. Done.

8 We are ready now to get into the
9 deliberation of the public lands recommendations,
10 public lands committee --

11 MS. MILES MENNELL: Five minutes.

12 MR. BRUCE SHUPP: Would you like a
13 break?

14 MR. DAVE WAHUS: Let's take a break.

15 MR. BRUCE SHUPP: Ten-minute break.

16 (Brief recess.)

17 MR. BRUCE SHUPP: All right. Let's
18 take our seats. We're going to change the program a
19 little bit. We were asked by TVA staff to briefly
20 consider how we're going to handle the communication
21 strategy from the recommendations that we provided
22 today. We've never thought of that. I've never
23 thought of that.

24 What are we going to do about telling
25 the public what we said?

1 And Barbara Martoucci asked if she
2 could talk to us a little bit about that. And they
3 would be willing to do what we want to do, but they
4 don't know what we want to do. So she has to leave,
5 so I am going to put her on right now before we get
6 into the public lands deliberation.

7 Barbara, if you could express to us
8 your concerns and advice.

9 MS. BARBARA MARTOUCCI: Okay. I
10 thought I should suggest to you some ways that you
11 could make this information available to the general
12 population, as well as the media and the
13 Congressional delegation. I thought it was
14 important to ensure that those people who you are
15 serving and who rely upon you hear the information.

16 I can give you some suggestions.
17 It's entirely up to you what you want to do. You
18 don't have to say anything or do anything or you can
19 take those recommendations. I will be glad to
20 facilitate that and make sure that the work that
21 needs to be done gets done.

22 My first thought is that the
23 information from those recommendations be given to
24 the Congressional delegation, along with those
25 recommendations, a list of the people who are on the

1 subcommittee and the subcommittee chair be on that
2 recommendation, so that if there are additional
3 questions from Congress they know who to call to get
4 those answers.

5 Another thing could be getting that
6 information out to the media solely in a press
7 release. The problem with sending out the
8 recommendations in total is that's a lot of
9 information for a reporter to take and understand
10 and understand what your real meaning of all of that
11 information is without talking to one of you
12 directly.

13 I would be glad to do that, but my
14 recommendation to you would be to either do a fact
15 sheet or some sort of news release that would then
16 put in the subcommittee chair's name or at least the
17 subcommittee's name, and then they can get hold of
18 me and I will facilitate that discussion between the
19 media and the subcommittee chair on that
20 recommendation.

21 MR. BRUCE SHUPP: Those are excellent
22 recommendations.

23 Phil?

24 MR. PHIL COMER: A lot of the people
25 who were in the audience today have already left

1 here with copies of the recommendations in their
2 possession, and how they choose to disseminate this
3 will be something that we have absolutely no control
4 over.

5 MS. BARBARA MARTOUCCI: And I think
6 that's fine, Phil, the more people who get it, the
7 better. I would hope that this effort would allow
8 that many more people to get the same information.

9 MR. PHIL COMER: All this is great,
10 but I'm just saying that 15 people, 20 people have
11 already left here with these things in their hand.

12 MR. BRUCE SHUPP: None of them are
13 from Montgomery though, Phil.

14 MR. PHIL COMER: From what?

15 MR. BRUCE SHUPP: Montgomery,
16 Alabama. They were all from one place or one area.

17 MR. PHIL COMER: 23 counties, that's
18 right, not one place, 23 counties.

19 MR. BRUCE SHUPP: But there's eight
20 states involved. We have a responsibility.

21 MR. PHIL COMER: I am not disagreeing
22 with that, but I'm just saying the barn door is
23 already open. So there's going to be --

24 DR. KATE JACKSON: I don't think the
25 issue is the barn door being open, it's we want all

1 the horses out.

2 MR. PHIL COMER: You do what?

3 DR. KATE JACKSON: We want all the
4 horses to get out of the barn, not just some of
5 them.

6 MR. PHIL COMER: Good. I applaud
7 you.

8 DR. KATE JACKSON: How am I doing?

9 DR. PAUL TEAGUE: You're learning
10 southernity.

11 MR. BRUCE SHUPP: Are you
12 volunteering, Barbara, to draft a news release which
13 you would bounce off the subcommittee chairs for
14 their clearance, and then after that is cleared, to
15 distribute that to Congress and to the news media?

16 MS. BARBARA MARTOUCCI: Yes. I would
17 like your decision as to whether you want me to get
18 the recommendations themselves with your names and
19 phone numbers to the Congressional delegation first
20 and on the same day or the day after I can write a
21 news release and release it with the information in
22 that release, and if the press calls, facilitate an
23 interview between the subcommittee chairs and that
24 media person.

25 And by that, I mean, I will make sure

1 you get the right phone number. I will be glad to
2 sit in if for any reason you would want me to, but
3 I'll make sure that I connect you and the media
4 together. Obviously, I need permission from the
5 subcommittee chairs that I use your names and get
6 them out there.

7 MR. BILL FORSYTH: These
8 recommendations are not lengthy documents, and
9 rather than have somebody try to interpret them, I
10 would rather get the whole document out and let it
11 stand on its own merits.

12 MR. PHIL COMER: So would I.

13 DR. PAUL TEAGUE: Does this conflict
14 with our discussion an hour ago that everything
15 ought to come out of the chairman and putting our
16 telephone numbers and out and everything to talk to
17 the Congressmen, whoever, if he calls us, does that
18 conflict with what we discussed earlier?

19 MR. BRUCE SHUPP: Are you asking me?

20 DR. PAUL TEAGUE: I'm asking --

21 MS. MILES MENNELL: In Austin's
22 absence, he's chair of our legislative action
23 working group, we have been talking -- those of us
24 who made the last trip to Washington to discuss
25 Council business, we hope to be able to go up to

1 Washington in June to meet with various
2 Congressional members and staffers to discuss the
3 contents of those resolutions.

4 I think it's great to go ahead and
5 get them in their hands right away, and then when
6 we're there in Washington, we, as the legislative
7 action group, will be available to talk to them
8 about any specific questions they have. So I just
9 wanted to comment on that.

10 MR. BRUCE SHUPP: Phil, are you still
11 up or was that --

12 MR. PHIL COMER: I'm sorry. No.

13 MR. BRUCE SHUPP: Greer?

14 MR. GREER TIDWELL: I think Phil's
15 still up, in my estimation.

16 MR. PHIL COMER: Since 4:30 this
17 morning.

18 MS. MILES MENNELL: What a man.

19 MR. GREER TIDWELL: I think we do
20 need, before we send anything out to the press, to
21 establish what our message is about what next is
22 happening with these recommendations. Without
23 developing that message and sort of -- that may take
24 a little debate this afternoon, which wasn't really
25 what I was looking for, but we may need to do that,

1 otherwise, the report that comes from the media will
2 be, a lot of hard work, need recommendations, no one
3 knows what will happen next.

4 Well, to some extent we don't know
5 exactly what will happen next, but I think we could
6 put something -- we can say that, you know, in a way
7 that looks a lot better on us and on TVA than the
8 way it will come back if we don't decide that
9 message ourselves.

10 MR. BRUCE SHUPP: Jimmy?

11 MR. JIMMY BARNETT: As a subcommittee
12 chair, I have no problem. I mean, that's part of
13 the duties that we do, like you do as head of the
14 whole Council, and I have no problem of -- since
15 you're on the water quality subcommittee you doing
16 that for the water quality subcommittee, but I think
17 it's probably appropriate, as much as I hate to say
18 it, and I have no objection for my name and phone
19 number being out there to answer some of these
20 questions as long as I am doing it for the
21 subcommittee on its recommendation, on its
22 particular recommendations, I would not do it for
23 anybody else's subcommittee. I would refer that
24 back over to that particular subcommittee. So I
25 don't mind answering questions on the weed thing and

1 the other three recommendations we will have. I
2 would not do it for anything else. I would not want
3 to.

4 MR. BRUCE SHUPP: Somebody asked if
5 it's appropriate, and certainly, given what we said
6 this morning, stick to the facts, don't speculate,
7 and don't characterize people's motives, you know,
8 if you stick to those three groundrules, you can
9 talk about the guidelines all you want and feel very
10 comfortable. I feel very appropriate if the
11 subcommittee chairs handle their own communication.

12 MR. PHIL COMER: What about people --
13 I've already told you-all this morning, I've already
14 had a local newspaper reporter call me three days
15 ago. I have a 9:00 appointment Monday morning to
16 meet with him to give him the story of what happened
17 today.

18 MR. BRUCE SHUPP: That's fine. We're
19 just saying who we're going to put as contact people
20 on the list. I think before I go to you, Elaine, I
21 think we have to have some type of communication
22 document with those policies. I think they should
23 have the whole policy, but I think there has to be
24 some type of a transmittal memo that says, this is
25 what they did, this is what will happen, and when it

1 will happen, and I don't think we want to go any
2 further than that.

3 MS. ELAINE PATTERSON: First, to get
4 to Greer's point, I think what will happen next, and
5 I hope we're pretty clear on this, is that when we
6 develop these recommendations, they then go to the
7 TVA Board, if we can agree that, you know, that
8 that's the process. So that answers the questions
9 for me.

10 As far as -- I'm also part of the
11 Government Affairs Group, that we make sure we do
12 get this information to the members of Congress
13 first, because they have been engaged throughout the
14 process, and as a courtesy to them, we get the
15 information to them first and give them an
16 opportunity to contact the subcommittee chairs to
17 see if they have any questions, and then be
18 prepared, we might get some press generated out of
19 their offices as well, just to be prepared for that,
20 you know, then to go with our next plan, contact the
21 press and a summary, I agree on all those points.

22 MR. BRUCE SHUPP: Paul.

23 DR. PAUL TEAGUE: This is not totally
24 relevant to what we're talking about, but I guess it
25 is to some extent. We're talking about getting

1 information right and wrong, and something has been
2 bugging me since that gentleman was talking about
3 aquatic weeds.

4 When he said there was a law or a
5 decree or it came from the President, is the way I
6 understood him, and I -- did anybody else hear that?
7 Did we misunderstand it? And if that's true, then
8 that pretty well clarifies where the action has to
9 be from, if the guy was right, I don't know, but
10 it's been bothering me ever since he said it,
11 mulling it over, where did he get his information
12 and where did it come from.

13 MS. JULIE HARDIN: Did you hear that
14 from Axel, the second speaker?

15 DR. PAUL TEAGUE: Claxton.

16 MR. BRUCE SHUPP: I think I can
17 clarify that. He mentioned the Presidential
18 Executive Order on Aquatic Nuisance Species.

19 DR. PAUL TEAGUE: Yes.

20 MR. BRUCE SHUPP: And I don't know
21 what you inferred from that, but Presidential
22 Executive Orders are directives, they are not
23 dictates. I mean, they just give a direction and,
24 you know, some agencies ignore them, I can assure
25 you of that.

1 DR. PAUL TEAGUE: Well, that
2 simplifies it a little bit because I thought -- I
3 thought it meant that TVA didn't have a choice but
4 to take care of the problem.

5 MR. BRUCE SHUPP: We got an Executive
6 Order 12962 passed in 1994, I believe, for sport
7 fishing in America, telling all the federal agencies
8 to put some effort behind enhancing sport fishing in
9 their waters, about half of them ignored it, the
10 other half -- two or three maybe have done something
11 effective. The other ones talk to us. So, you
12 know, that's about what Executive Orders are.

13 DR. PAUL TEAGUE: I thought Executive
14 Order was kind of like me talking to my kids, it
15 comes from the head shed.

16 MR. JIMMY BARNETT: Did your kids
17 always follow those orders?

18 DR. PAUL TEAGUE: They do when they
19 are in my presence.

20 MS. MILES MENNELL: That was short
21 lived.

22 MR. JIMMY BARNETT: I'd just like to
23 add one other thing, I commend Barbara for thinking
24 of this, that's pretty good.

25 MR. BRUCE SHUPP: That's true. All

1 right. Let's get about how we're going to handle it
2 now, she's volunteered to do a transmittal release
3 and do the transmittal. Do we accept that as what
4 we want to do?

5 MS. BARBARA MARTOUCCI: And you will
6 see it before it goes. I will not do it without
7 your approval.

8 MR. BRUCE SHUPP: The whole Council?

9 MS. BARBARA MARTOUCCI: Subcommittee
10 chairs.

11 MR. BRUCE SHUPP: That's good.

12 MR. JIMMY BARNETT: Cc our chairman.

13 MS. BARBARA MARTOUCCI: He will be in
14 the loop.

15 MR. BRUCE SHUPP: And that will be
16 next week?

17 MS. BARBARA MARTOUCCI: Yes.

18 MR. BRUCE SHUPP: Sobeit. Thank you
19 very much, Barbara. We really appreciate that
20 because me missed it, that whole facet of it.

21 All right. Mr. Wahus, we go into
22 deliberating the public lands policy.

23 MR. DAVE WAHUS: Just to do something
24 different, I'm going to stand up and walk around a
25 little bit. Somebody commented at lunchtime that it

1 was -- they were falling asleep this morning, there
2 wasn't enough activity, so let's see if we can do a
3 little dance up here.

4 What I would like to do for this next
5 session is to open it up on the land management
6 recommendation, to open it up for general comments,
7 any comments you have, any questions that you have,
8 et cetera, and we will exhaust your comments and
9 questions, and then we will go back to the
10 recommendations and we will take one recommendation,
11 starting with 1 through 4, one at a time, and look
12 at the recommendation and see if there are any words
13 or any aspects that you want to change, and we will
14 either agree to accept or agree not to accept that
15 recommendation as we go through, rather than trying
16 to do them all at one time. That way we can focus
17 our discussion a little bit so that we're not
18 jumping and arguing between recommendations, if we
19 could.

20 If questions come up, I will look to
21 Ann and her subcommittee to answer those. Is there
22 agreement to handle it in that way? Any opposition?

23 Okay. I'll open up the floor then to
24 discussion on any questions you might have for Ann,
25 any general discussion that you might have before we

1 start talking about any of the -- about the
2 recommendations one at a time. Don't tell me you're
3 ready for a break already.

4 MR. BRUCE SHUPP: And we don't do
5 motions, so may I suggest that we move to approval
6 of the recommendations.

7 MR. DAVE WAHUS: Any opposition?

8 DR. PAUL TEAGUE: We don't do
9 motions, but I second it.

10 MR. DAVE WAHUS: Okay. This is the
11 first recommendation. I will not read it. Does
12 anyone have any changes, any modifications,
13 additions, deletions that they would want to make on
14 this specific recommendation? Does anyone oppose
15 this?

16 Can I then assume that you-all --
17 that we consider consensus on this recommendation
18 and it will go forward?

19 MS. JULIE HARDIN: Yes.

20 MR. DAVE WAHUS: Could I see thumbs
21 up if you like it and thumbs down if you don't? And
22 if you can live with it --

23 DR. PAUL TEAGUE: That is voting, but
24 I am just going thumbs up.

25 MR. DAVE WAHUS: That is voting, but

1 I'm just going to use it as an indication. Okay.

2 Thumbs up. Okay. Boy, you guys are easy here.

3 Recommendation No. 2, comments,

4 additions, deletions? Hearing none, do we -- can I

5 see thumbs? Are we ready to move on? It looks like

6 it's accepted.

7 MR. GREER TIDWELL: Just for the

8 record, as a lawyer, I looked for a comma out of

9 place and I couldn't find one.

10 MS. JULIE HARDIN: That's thanks to

11 Forrest Rich and Ann.

12 MR. DAVE WAHUS: Recommendation No.

13 3, decisions made in the future, questions,

14 comments, deletions, additions? Gosh, I am doing a

15 good job.

16 MR. BRUCE SHUPP: No. Ann did it.

17 MR. W. C. NELSON: No. Stephen is

18 not here.

19 MR. DAVE WAHUS: Indication.

20 Concurrence, okay. Then the last one, TVA should

21 build in the capacity to change?

22 DR. PAUL TEAGUE: Last but not least,

23 I can assure you.

24 MR. DAVE WAHUS: Okay. Then,

25 Mr. Chairman, all four of these recommendations have

1 been accepted by the Council, and I will pass it on
2 to you.

3 MR. BRUCE SHUPP: Council gratefully
4 accepts that job by the public lands subcommittee.
5 We thank you for good work. We now have three
6 recommendations.

7 A quick overview of the very
8 productive first 14 months of the history of this
9 committee is that we have produced three policy
10 recommendations to the TVA board which will be
11 transmitted next week, and that's a very productive
12 first 14 months.

13 Don't you think so? Thank you-all.

14 Anything else for the good of the
15 order?

16 MS. ANN COULTER: Mr. Chairman, I
17 would like to ask that the members of public lands
18 subcommittee stay a couple more minutes so we can
19 discuss how we proceed with the two other issues we
20 were asked to look into today.

21 MR. BRUCE SHUPP: Would you like --

22 DR. PAUL TEAGUE: Didn't you hear the
23 man say our committee is through?

24 MS. ANN COULTER: Not yet.

25 MR. BRUCE SHUPP: Ann, would you like

1 to take those issues one at a time and have the
2 Council give you a priority which one is first or do
3 you want to try to do them both together?

4 MS. ANN COULTER: I think we can do
5 both of those before August and have recommendations
6 by August.

7 MR. BRUCE SHUPP: All right.
8 Excellent. If you can't, you can be excused if
9 you're not. Any other comments?

10 Great meeting everybody. It's
11 adjourned. See you August 28th.

12 END OF PROCEEDINGS

13

14

15

16

17

18

19

20

21

22

23

24

25